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LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Mr. Stevens Backs the Wrong Horse

Why Wheat Sags

Mr. McFarland Conjures Up a Scape-goat

Canada's Holding Policy is Wrong

Hepburn's Sop to Municipalities

Blood-letting at Ottawa

MR. STEVENS is out but the world of business will be gratified that the price spreads enquiry is to go on.

The Financial Post has absorbed without any adverse consequences a great deal of editorial punishment and political abuse for its unrelenting insistence upon Mr. Stevens's resignation. Now the published correspondence reveals that Mr. Bennett's views on the conduct of the enquiry have been the same as ours all along.

Always the Post has contended that there was nothing wrong with Mr. Stevens's original objectives.

There is exploitation of labor in Canada. There are brutal employers and there are sweat shops. The exploiting employers must be curbed and the sweat shops must go.

There has been piratical and unethical competition. This, too, must go, preferably through voluntary and co-operative efforts in order to avoid restrictive legislation.

There has been, too, need for a careful and scientific study of distribution methods in Canada in order to discover what uneconomic abuses have crept in.

* * *

THE work of the Royal Commission really never got started. It was soon diverted from its original objective of publicizing injustice and examining economic and social trends by Mr. Stevens's entirely unjust attack upon individuals and by his efforts to achieve political notoriety for himself through dishonest misrepresentation and sinister appeals to ignorant prejudice.

Mr. Stevens says he is prepared to, and will, prove his charges. This is impossible. He has made mistakes on matters of fact, where no proof can be supplied.

Mr. Stevens was faithless to his trust. He was disloyal to his colleagues on the Commission, most of whom were really anxious to make the investigation useful by being both penetrating and pertinent in all its work.

He was faithless to his colleagues in the Cabinet who were put on a very nasty spot by his pre-judgment of the issues before his Commission.

* * *

OF COURSE he had to go, but it was not easy for Mr. Bennett to insist upon the alternative of a promise of reasonable conduct of the enquiry or his resignation. Throughout Canada there will be many newspaper editors, many politicians and many social agitators who will proclaim that Mr. Stevens has been ousted because he has offended the big interests. Nothing, of course, is farther from the truth, but the truth does not always prevail in the short run although it wins out in the end.

* * *

IT MAY be, therefore, that Mr. Bennett has not strengthened himself politically in Canada by his break with Mr. Stevens. But his courage in insisting upon honesty in this matter should be marked down to his credit.

The Financial Post cannot but feel that the popular support supposed to exist behind Mr. Stevens has been exaggerated. There is a swing of the tide away from unreasoning and irrational radicalism in this country. The swing is not so much to the right as it is to the middle of the road. If Mr. Stevens continues as a fomenter of discontent, he will find that he has backed the wrong horse.

* * *

Canada the Culprit In Wheat Imbroglio

A FEW months ago, there was apparently a large paper profit in the operations of Canada's wheat stabilization account. Then John I. McFarland, general manager of the Central Selling Agency, whose losses will be borne by the taxpayer, whose profits will go to the western wheat pools, and who apparently takes orders from no one but the Prime Minister, was hailed as the saviour of the wheat market.

But today the wheat stabilization operations apparently show a huge,

(Continued on page 2, col. 4)

See Cut in Dividends On Dom. Stores Stock As Earnings Decline

Sales For First 40 Weeks Are Down 2.7 Per Cent

DROP POOR STORES

Company Passing Through Consolidation Period But Montreal Competition Hits 1934 Profits

Lower monthly sales and a persistent decline on the stock markets are interpreted in financial circles as an indication of a reduction in the dividend rate by Dominion Stores. For the first 40 weeks of the current fiscal year which ends Dec. 31, total sales were down from $15,092,728 for the same period in 1933 to $14,674,383 or a reduction of 2.7 per cent. For the first six months earnings declined from $156,774 in 1933 to $120,224 or from 55 cents to 42 cents a share this year. From a high of $23 per share in March last, the stock of the company has dropped below $14 this week on the Toronto Exchange.

Monthly Sales (Subject to final adjustments)

Four week period ending:	1934 $	1933 $	Decr. %
Jan. 27	1,373,111	1,398,267	1.80
Feb. 24	1,481,037	1,501,638	1.37
Mar. 24	1,528,273	1,555,614	1.76
Apr. 21	1,505,736	1,505,417	*0.02
May 19	1,543,289	1,554,037	0.69
June 16	1,557,863	1,584,053	1.65
July 14	1,488,015	1,512,522	1.62
Aug. 11	1,372,530	1,441,312	4.77
Sept. 8	1,349,203	1,470,398	8.24
Oct. 6	1,475,326	1,569,470	6.00
40 weeks	14,674,383	15,092,728	2.77

* Increase.

Any early change in the dividend rate would be expected within the next six weeks when declaration of the usual January payment is due.

$1.00 Per Share

Earnings in 1933 exactly covered the $1.20 paid per share. This rate has been paid in full this year but earnings so far and after making allowance for the usual improvement in sales in the late fall and early winter indicate total earnings on the stock for 1934 may not exceed $1 per share. If such is the case then last year's deficit of $30,611 will more than be repeated. Had it not been for the premium on American funds in 1933, dividends prior to Jan. 2 being generally paid in U. S. funds, there would have been a few dollars above dividend requirements. This year there will be no funds necessary on that score but based on the half year's return neither will current earnings meet the full year's dividends.

	Net profits	*Dividends	Surplus
1933	339,279	369,890	†30,611
1932	361,621	381,887	†20,266
1931	522,631	466,985	55,646
1930	530,809	335,436	195,373
1929	591,549	313,076	277,473

* Includes premium U. S. funds in 1933, 1932 and 1931. † Deficit.

	Gross sales	Net earn. from oper.
1933	19,758,368	504,325
1932	23,042,273	497,033
1931	25,200,150	630,967
1930	24,118,586	601,263
1929	24,641,183	494,250

Consolidation

Dominion Stores has been passing through a period of consolidation, it is understood. For several years the number of stores operated have been steadily reduced, an average of 504 being operated for the first half of 1934 as compared with 522 in the previous year. Inefficient units have been gradually weeded out with a consequent reduction in total volume of sales but with an increase in the volume of sales per store. This process is apparently continuing.

Six Months Ended June 30

	1934 $	1933 $
Sales	9,756,205	9,821,790
Earnings	120,224	156,774
Earnings per share ...	0.42	0.55
No. of stores	504	522
Sales per store	$19,556	$18,815

During the current year, too, an intensely competitive situation has

(Continued on page 2, col. 6)

Moderate Total For Construction Made Last Month

Although construction contracts awarded in October were only slightly less than those in the previous month, the decline being less than the usual seasonal trend, the total was 25 per cent below the figure attained in October a year ago.

Bush operations on a wider scale than for many years helped raise employment slightly above the level of September 1.

Monthly	Oct., '34	Change From Prev. Period %	Change From Prev. Year %
Constr. contracts $	11,152,700	—10.6	—25.6
Sugar mftd.* .lbs.	86,934,082	— 8.5	— 0.8
Employm't† index	100.0	+ 1.8	+10.6
	Sept., '34		
Elec. output M. Kwh.	1,627,289	— 2.0	+ 9.2
Coal output, tons	1,293,867	+20.0	+12.5
Coke output tons	188,375	— 0.5	+20.5
Rubber imp. .lbs.	6,205,577	+42.0	+ 5.7
Pete. imp.....gals.	118,210,821	— 9.1	+ 9.3
Auto. sales ....No.	3,940	—34.1	+14.5
Auto. financing..$	2,392,470	—26.6	+49.1
Weekly‡			
Car loadings...No.	56,873	+10.3	+10.0
Cattle sales....No.	24,374	— 4.7	+20.6
Hog sales .....No.	20,546	+20.0	— 6.8

* Four weeks ended Oct. 6.
† At October 1.
‡ Weeks ended Oct. 20, 25 and 25, respectively.

Lower Liquor Tax Awaits Trade Pacts

(By Staff Editor)

WASHINGTON. — Opinion has crystallized here that the Administration is agreed on the wisdom of cutting the liquor import tax from $5 to $2.50 a gallon.

It is thought doubtful that this will be put into effect immediately because with United States embarking on a major programme of reciprocal tariff making, an obvious move is for the government to keep this trump card of a lower liquor tariff up its sleeve.

In negotiations which will be undertaken with Canada and Great Britain, in the near future, this will probably be an important feature of trade discussion.

SEEKS MERGER SOFT DRINK COS. OVER ONTARIO

Brewing Corp. May Sell Carbonated Departments of Subsidiaries

GET ORANGE CRUSH

A merger of some proportions of soft drink companies in the province of Ontario is believed to be under way. The report two weeks ago that Brewing Corp. was trying to secure control of Orange Crush, and its subsidiary, Honey Dew, in order to round out its own soft drink business, turns out to be inaccurate. On the contrary, an effort is being made to buy out the carbonated beverage departments of subsidiaries of Brewing Corp. of Canada, notably that of O'Keefe Brewing Co.

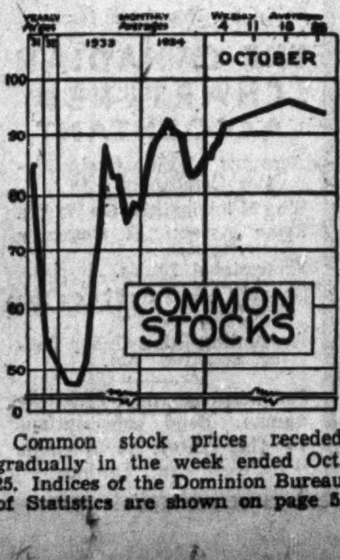
The new company, angling for control in this field, hopes as well to get control of Orange Crush, Honey Dew and other companies and by merging all interests to embark on this business in a large way. That would leave Brewing Corp. almost entirely in the business of brewing, which is at present the most profitable end. It would probably have a share interest in the new large company in process of creation.

Finishes O'Keefe Purchase

On November 1 Brewing Corp. of Canada received delivery of the entire outstanding share capital of the O'Keefe Brewing Co. under the agreement of sale entered into in May, 1934, thus giving quietus to disturbing rumors which have been depressing the stock on the Toronto Stock Exchange. By the agreement of sale Brewing Corp. paid in cash $1,700,000 of the total purchase price of $2,074,000, and the street rumors had it that there would be difficulty in paying the additional $374,000. The certified cheque delivered on November 1 to the depositary of the O'Keefe shares, National Trust Co., completed the transaction and the $2,184,000 par value of the O'Keefe shares therefore now belong to Brewing Corp. of Canada.

Far from this payment crippling the company the president, E. P. Taylor, states that the liquid position of the company is still very strong, current assets being 2¾ times current liabilities. Whether or not this last payment will be included in the company's balance sheet for the year ended October 31 is uncertain. It is also difficult to guess closely at what the company's income statement will show.

The year as a whole will undoubtedly show earnings to have increased over the previous year. With purchase of Cosgrave Brewing Co. completed and O'Keefe's old-established business secured, the sales and earnings of 1934-1935 are not strictly comparable with 1933-34. There has been a very large increase in the outstanding common stock as sale of these shares in the British Isles really supplied the cash for the notable expansion of the last year.



Common stock prices receded gradually in the week ended Oct. 25. Indices of the Dominion Bureau of Statistics are shown on page 5.

LAKE OF WOODS MOVES AHEAD DURING 1933-34

Milling Company Reports Healthy Increase in Profits

STRENGTHEN FINANCES

Working Capital Up — Bank Loans Down — Share Earnings Make Big Gains

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Co. to date has been one of the two milling companies to report an appreciable improvement in its earning power and financial position during the past year.

Comparison of the financial statement for the year ended August 31, 1934, with that for the preceding twelve months, shows the following gains:

Net working capital improved during the twelve months by $592,474;

Bank loans were reduced by $252,000;

Operating income advanced $176,823, or nearly 28 per cent;

After an increase of $60,000 in depreciation reserve, earnings on the preferred stock amounted to $26.82 a share, as against $20.05 in the previous year. With the same allowance for depreciation as in 1933, share earnings totalled $30.82, an increase of over 50 per cent;

Earnings on the common stock, without consideration of preferred arrears, totalled $2.01 a share. This is in contrast with $1.32 in 1933. With the same depreciation allowance as in 1933, earnings in 1934 amounted to $2.42 a share.

Review of Operations

The company's official statement shows that in the twelve months ended last August domestic business had been well maintained. Export business did not register any improvement, nor is there little prospect for a change in the right direction.

The business of Inter City Eastern Bakeries, in which Lake of the Wood is financially interested, is showing steady improvement in spite of the keenest competition. Inter City Western Bakeries, which is being operated by representatives of the bondholders and the company, has not been giving very satisfactory results.

Depreciation is Heavy

It is noted in the profit and loss account, details of which follow, that the allowance for depreciation reserve was increased last year to $185,000, up from $125,000 in 1933. This is the largest amount written off in several years. Net profits, after interest and depreciation, were roughly one third greater in 1934 than was the case in 1933.

	1934 $	1933 $
Net earnings	803,261	636,438
Less: Interest	215,890	210,740
Depreciation	185,000	125,000
Net profit	402,371	300,698
Previous surplus	905,586	604,888
Carried forward	1,307,957	905,586

The improvement in earnings finds reflection in Lake of the Woods' balance sheet. The total of assets at August 31, 1934, is shown on the statement at $9,555,300, as against $9,270,886 a year ago.

While there was an increase in current assets during the past twelve months, the company still has a working capital deficit of $375,883. This, however, is substantially better than a year ago, when the deficit amounted to $968,557.

Bank Loan Lowered

Among the liabilities of the company, it is noted that the bank loan was reduced during the year from $3,244,000 to $2,992,000

There has been no change among reserves, outstanding capitalization, while the surplus account now stands at $1,307,957, up from $905,585 a year ago.

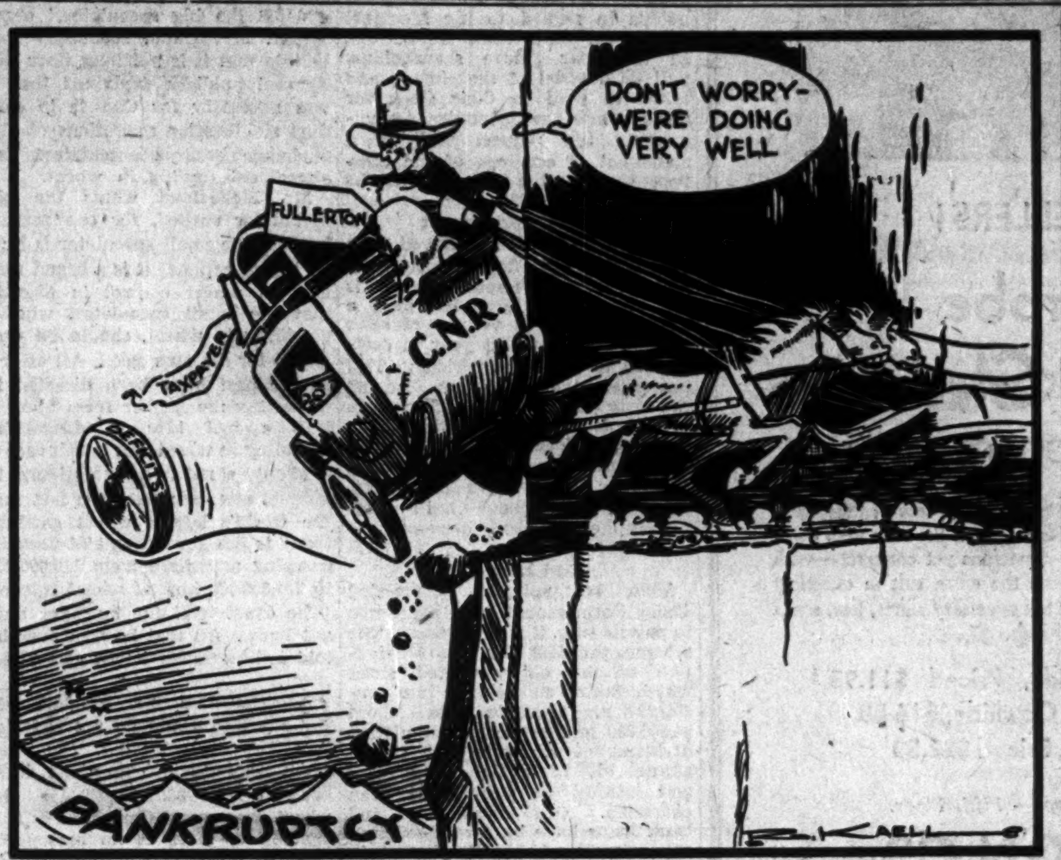
The principal change in the current assets is in inventories, which amount to $2,555,848, or slightly more than $500,000 greater than at the end of the 1933 fiscal year.

Seaway Treaty Change Planned To Help Passage

From Our Own Correspondent

OTTAWA.—Chief business transacted at the conference a few days ago at Ottawa between Hon. William Phillips, under-secretary of state for the United States, and Prime Minister R. B. Bennett, had to do with the St. Lawrence Seaway treaty, it is learned in authoritative quarters. The Roosevelt administration, as has been announced, intends to ask the Senate again to ratify this treaty. It will be submitted when Congress reassembles.

The Washington authorities, it is learned, believe the chances of the treaty would be greatly improved if one or two changes were made. The most important change, it is thought, concerns the provision that part of the United States money to be spent will go for Canadian labor and materials. The work involved, of course, is on the Canadian side of the International Section.



—Drawn for The Financial Post by R. Kaell.

"NOTHING TO WORRY ABOUT!"

U.S.A. Recovery Plans Lack Definite Purpose

Roosevelt's Failure to Make Decisions Is Vital to Business Outlook

BY KENNETH R. WILSON
Business Editor, The Financial Post

WASHINGTON. — Many years ago, Charles Dickens in gleaning notes for his comments on America's Congress, described this famous capital as "a city of magnificent intentions."

The comment was never so apt as in this year of New Deal grace, 1934.

Look at the record.

In agriculture, the habits and actions of 30,000,000 farm folk are being moulded by a small group of economists and experts in one of the greatest "planned economy" experiments of modern times.

In business, one of the most complex, far-reaching industrial systems ever developed in the world has been poured into the N.R.A. strait-jacket of mass codification in the hope of achieving the economic salvation of private enterprise in industry.

In finance, a mighty stream of public dollars to an authorized total of over $13,000,000,000 is being expended in pursuit of the elusive will-o-the-wisp, "recovery."

In human affairs, a vast army of 17,000,000 persons is being fed, clothed, cared for and if possible kept occupied, until such time as they can be reclaimed once more by normal channels of employment.

Was there ever, under democracy, such a roster of "magnificent intentions" or a single community which held so many vital answers to the personal and corporate problems of 120,000,000 people?

Roosevelt and Congress

Because of personal popularity and his courageous proclamation of New Deal principles some twenty months ago, the focal point in the picture, is of course Franklin D. Roosevelt. Anything which throws light on his present position and point of view is therefore illuminating.

With one-third of the nation about to register their personal opinions at the polls on November 6, an appraisal of his personal popularity throughout the country is unnecessary. Present indications point, however, to continued support from electorate, particularly in the south and in agricultural communities. The most difficult question seems to be, not how many but what kind of New Dealers will be returned to office next week. A trend of opinion toward or away from radicalism will be one of the most significant factors in the entire U. S. picture in the next few months.

In fact one of Roosevelt's most intimate financial advisers expressed his firm conviction that the only real stumbling block in the road to financial recovery at the present time was the possibility of an uncontrollable congress next January. And congressional action will certainly be affected in large measure by the results of the November 6 election.

A Vital Element

But apart from what voting citizens may say, or Congress may do, a dominant opinion I gained here last week was that a vital element in the recovery picture is Roosevelt's unwillingness to make and adhere to definite policies.

Friends say of Roosevelt that he has an extraordinarily "resilient" mind. A man who has known him for years put it more bluntly when he told me the president's greatest weakness has always been that he is "a man of no fixed purpose."

In some instances this policy may prove best in the long run. Certainly as a political artifice the characteristic has definite merit. But when great human and national issues are at stake (as in the field of labor strikes) it may have serious consequences. Whether it proves an asset or a liability, it must be considered in appraising the U. S. situation and it does provide a clue to much of what has happened in

(Continued on page 2, col. 3)

Pressure Brought to Bear On St. Lawrence Paper Mills

Quebec Government May Take Action This Week to Withdraw Special Privileges — May be Unable to Fulfill Contracts

From Our Own Correspondent

MONTREAL. — Developments are likely to occur this week, possibly through provincial government intervention, which may make it difficult, if not impossible, for St. Lawrence Paper Mills to fulfil its contract with the Scripps-Howard and Hearst newspapers to supply them with a large tonnage of newsprint in 1935 on what is understood to be the present price basis of $41 a ton, with a $1 allowance for delivery in the New York and Chicago zones.

As has been pointed out in the columns of The Financial Post the Canadian manufacturers were preparing to increase the price of newsprint on 1935 deliveries in the United States, but the action of St. Lawrence Paper Mills in making contracts direct with the publishers on existing terms, nullified such efforts.

Privileges Are Important

What action the Quebec Government may take is problematical. At the moment the newsprint companies are benefitting from certain concessions made by the government in order to help them out of their difficulties. These include a reduction in stumpage fees and the right to cut timber under 10 inches in diameter. The withdrawal of these or other privileges would place St. Lawrence Paper in a difficult position in respect to its ability to carry out the terms of the contracts recently made with Scripps-Howard and the Hearst newspaper chains.

Still After Increase

It is gathered that the other newsprint manufacturers remain convinced of the necessity of seeking a higher price for their product and want to go ahead and announce a higher price for 1935 deliveries. They feel that under existing conditions, and in the face of rising costs, they cannot continue to operate under the present price schedule. There are numerous difficulties, contractual and otherwise, which would make the effective institutions of such a policy extremely difficult. Much depends on whether or not St. Lawrence Paper Mills can fulfill the terms of their recently acquired contracts. If they can, then a price increase is farther away than ever. If they find conditions make it impossible to fulfill the terms of the contracts, then the way is open for a general advance in the price of newsprint.

Until the present question, i.e., St. Lawrence Paper Mills' ability to deliver paper as contracted, is settled one way or the other, the probabilities of a price increase must remain in doubt. It is hoped that by the end of this week, ro the middle of next month, the situation will be clarified.

Highlights of the week

Biggest Problem

Hon. C. P. Fullerton, chairman of the C.N.R. trustees, talks down C.N.R. economies. New light for taxpayers on Canada's biggest problem, rail deficits. Page 9

Saar Battle

Bitter discord marks the preliminaries to the plebiscite on the nationality of the valley. Why the Saar may soon be Europe's hottest political spot. Page 6

Now It's Flour

Hon. C. A. Dunning, new president of Maple Leaf Milling Co., has another big job on his hands. His career in grain, newsprint, railroading, life insurance, and now flour. Page 9

Oscar Morin

Leading Quebec municipal expert is a key man in the investigation of Montreal's deficit. Page 9

Business

Western economic areas went ahead in September. Analysis of the month's trends across Canada. Page 7

Silver Markets

London is the leader of world silver markets, but Shanghai is the most active. London's advantages. Page 16

Bernard E. Smith

Famed market operator joins McIntyre Porcupine board. How he works and his market philosophy. Page 16

Mining Stock Prices

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MOORE CORP. AND F. N. BURT DOING BETTER

Marked Industrial Activity Follows Burt's Summer Dullness

ORDERS INCREASE

Greater Diversity of Moore Products Led to Steady Progress Through 1934 to Date

Moore Corporation and F. N. Burt Co., both of which companies still maintain an exceedingly strong liquid position in spite of the adverse influences of the depression period, are now in a situation of great interest to investors. Better earnings than in 1934 were achieved by both companies in the first half of the year but since then there have been certain marked differences in the experiences of the two companies. If the last quarter's earnings continue on the same scale experienced in the first part of October, the year should nevertheless show a decided gain in sales and earnings for both companies over 1933.

The two companies are bracketed in this article because they have the same president, S. J. Moore, and because some correspondence in financial and industrial policies can naturally be expected to follow the fact that they have their head offices at the same place in Toronto and that the two companies have five directors in common, in addition to other directors. They are alike too in that both companies do about 90 per cent of their business in the United States and the other 10 per cent in Canada. Their fortunes, therefore, have a barometric rise or fall in relation more to the course of business in United States than that in Canada.

Burt's Elastic Orders

In other respects they diverge. Moore Corporation is a holding company whose subsidiaries are engaged in the manufacture of sales books, manifold books and forms, Flat-Pakit photographic registers and continuous business forms. F. N. Burt Company manufactures paper boxes, paper products, moulded paper novelties, folding cartons, rigid paper boxes, jewellery boxes, round boxes and mailing tubes and cores.

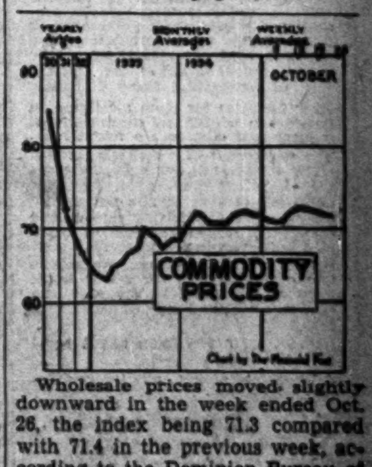
F. N. Burt Company had considerably improved business in the early part of 1934 but found it slowing up considerably in the summer. Business has picked up once again this Fall and on the year to date, the experience has been on the whole better than in 1933. As this company depends to a large extent on the large makers of luxury products its greater sales are made in the last quarter, which includes the Christmas business. It has never had more orders on its books than now but as these orders are in the nature of contracts to fill "all" paper box needs of important companies, this means that the company's business responds almost directly to the changes in public demand for a wide variety of luxury products. It supplies containers for high class soaps, cigarettes, chocolates and many products which gain sales appeal from covers that suggest daintiness, cleanliness and high quality.

As the company's contracts are with companies which distribute widely, a change in demand may make sudden and strenuous calls on the company's extensive manufacturing facilities. Just at present companies are ordering deliveries on their contracts on a large scale. It must be remembered, however, that this company's sales in the last half of 1934 will be compared to the last half of 1933 which showed a great improvement over the first half. Nevertheless there is a good chance for 1934 sales to beat those of 1933.

Moore Sales Barometric Rise

The improving sales of Moore Corporation subsidiaries, American Sales Book Co., Pacific Manifolding Book Co., Gilman Fanfold Corporation, Cosby-Wirth Manifold Book Co., Moore Business Forms, U. P. M. Kidder Press Co., Burke Business Forms and Western Sales Book Co. have in the aggregate been more constant than those of the F. N. Burt Co. This is a direct result of the fact that it has a larger number of diverse lines. The products are not luxury products; they are absolutely essential to the conduct of business. The demand for them

(Continued on page 2, col. 8)



Wholesale prices moved slightly downward in the week ended Oct. 26, the index being 71.3 compared with 71.4 in the previous week, according to the Dominion Bureau of Statistics.

DAIRY CORP. READY TO PUSH FORWARD UNDER NEW PLAN

Reorganization Lifts Big Interest Load—Slight Improvement Recently

After many delays it is understood that the reorganization scheme of Dairy Corp. will finally become effective in the next few days. The Financial Post is informed that all details in regard to the Montreal Dairy Co. have been ironed out. In the near future shareholders will be advised of the change and asked to send in their stock for transfer into new securities. Accompanying the request will be a statement of earnings of the company covering the first nine months of the current year.

Slight Improvement

The statement, it is believed, may show a slight improvement but nothing of any importance. It is understood that there has been a noticeable gain in volume of sales for the company this year in comparison to the same period in 1933 but prices are not higher. During the early part of the year they were actually lower and while there have been upward revisions in milk and cream prices in Toronto, Winnipeg and other points where Dairy Corp. operates, these have been completely offset by increases to producers.

Load Lessened

With reorganization completed Dairy Corp. should be in a position to pay its way, it is maintained. The scheme provides for the elimination of the old preferred stock which, taking subsidiaries into consideration, amounted to about $1,500,000 and carried a cumulative dividend of six per cent or an annual bill of $90,000 All arrears and interest on same have been cancelled. Old debentures and bank loans have been changed into approximately $1,200,000 of new six per cent debentures. Disregarding the old preferred stock this means little change in overhead to that before reorganization but on only about one third the new issue, which is held by the banks, has interest to be paid before Jan. 1, 1936. This represents another saving, though only temporarily, of approximately $60,000.

To Pay Its Way

Based on last years showing when a loss of $96,783 was reported, The Post is informed that the company should be able to carry on with fair prospects even without taking into consideration the temporary saving on a portion of the new debentures.

The Nation's Business

(Continued from page 1)

but as yet unrevealed, loss and a scape-goat is earnestly sought. Mr. McFarland's lengthy statement this week names the scape-goat officially just as it has been named unofficially from Ottawa in recent weeks. Huge international bear speculators are to blame for the recent decline in wheat prices, says our wheat Czar.

* * *

"CURB the big speculator," urges Mr. McFarland, seemingly forgetting that it is not long since Mr. Bennett publicly explained that it was necessary for Canada to conduct stabilization operations on the exchange because speculators had abandoned trading in wheat.

Mr. McFarland wants the big speculator curbed, for one reason, because the small speculator is hurt by his operations. It is a brand new idea in wheat control in Canada that the small speculator, who is gambling in wheat, should be protected for his own sake. All efforts in the past have been directed to protecting the farmer from him. It isn't a bad idea to discourage gambling in wheat, but in this case it is simply a red herring designed to distract attention from the fact that the world's largest wheat gambler today is the government of Canada, carrying anywhere from 150,000,000 to 225,000,000 bus. of wheat futures. (The exact total the taxpayer does not know. All that he will ever be told is how much it has cost him.)

* * *

OF COURSE Mr. Bennett and Mr. McFarland do not consider that they are gambling. And they claim that their operations have been worth $200,000,000 to the wheat growers of Canada. For this contention, there is no reasonable basis of proof. A more reasonable contention would be that governmental intervention in the wheat markets has cost the farmers of Canada anywhere between $200,000,000 and $500,000,000, or more.

Early in 1930 the provinces intervened when wheat was selling at $1.20 a bushel. They guaranteed wheat pool loans so that wheat would not have to be sold and possibly breaking the market as low as $1. But despite the burden they assumed wheat went below $1.

Then the Dominion Government stepped in and guaranteed wheat pool loans, also to keep wheat from dropping, but it dropped just the same. They finally inaugurated stabilized operations and the purchase of wheat in the open market was undertaken so that wheat would not skid to 50 cents but it did skid to 50 cents, and lower.

* * *

WHEAT has progressively declined and among the factors in the decline there are two or three that have been in control of the people of Canada. One reason for the decline was that our wheat pooling, governmental guarantees, and governmental stabilization offended our best buyers abroad, and caused them to stimulate home production of wheat in order to avoid dependence on Canada.

Another reason was that as the Canadian operations built up a huge unsold surplus here, a heavy weight was put upon the market that no price structure could stand.

Had Canada's 1929 crop been sold when it should have been sold; had our subsequent crops been sold as they were grown, the average price of wheat, during the past four years could hardly have avoided being considerably above the level that has prevailed. There might even be no wheat problem today, no difficulty in disposing of our wheat production, no huge losses facing the taxpayers. And that higher average price multiplied by the number of bushels of wheat we have grown would amount to much more than the $200,000,000 which Mr. McFarland claims he has saved the wheat growers of Canada.

* * *

THE story that international bear speculators have forced down the price of wheat is a little hard to swallow. Those who study trading most intimately cannot find any evidence of it.

Apparently the Dominion government's own wheat experts cannot find any evidence of it. The current monthly review of the world wheat situation compiled by the Dominion Bureau of Statistics names six reasons why wheat has recently declined. They are:

The fact that production estimates have been tending gradually upward;

The general upholding of European import restrictions;

The large surplus of low grade French wheat being offered at low prices;

The heavy shipments and forcing sales from Argentina;

The continued favorable development of the new crop in Argentina and;

The rather unexpectedly large first estimate of the Australian crop.

It will be noted that bear sales by foreign speculators are not mentioned. In these factors alone, there is ample explanation of the recent decline of prices.

* * *

THE same review of the Dominion Bureau of Statistics shows that between August 10 and October 5 the spread between Argentine wheat and the similar Canadian wheat widened from 18⅝ cents per bushel to 23⅜ cents. The effect of the stabilization operations of Mr. McFarland was to hold the Canadian price level above the competitive level at which he could sell wheat. The artificial price may have gladdened the heart of the farmer but it did not sell his wheat. The result of this artificial price was that Argentina increased its shipments by 17,000,000 bushels in the first ten weeks of the current crop year while Canada's shipments were 4,000,000 bushels less.

* * *

IT IS obvious to any reasonable-minded, sensible person that the most unfavorable factor in the world wheat situation today is the large holdings of wheat under the control of the Canadian government.

If Canada would today sell its wheat at a competitive level in the world markets, clean up the wheat surplus, stop fooling the farmer with talk about international bear speculators, stop playing politics with our greatest basic product, we would very quickly regain our position as the great bread basket of the world.

Of course, we cannot quickly force the European countries to change their wheat growing programmes, since these are based on social as well as economic considerations. But the greatest market for Canadian wheat always has been and is today the British market and in that market we are gradually losing our position because of our mistaken policy of holding wheat above the world level, and fooling ourselves that we are making more money by so doing.

There is grave danger that a generation will grow up in England that does not know the taste of bread made from Canadian wheat.

* * *

Haphazard Policy Started in Ontario

ONTARIO'S new Hepburn government has announced that it will cede to the individual municipalities in the province 20 per cent of new revenues being obtained within their borders on sales of beer and wine and beverage licenses. It is also to relieve all the municipalities of their former burden of 20 per cent of the maintenance and construction of highways.

There are obvious dangers in setting a precedent of making wholesale concessions to municipalities in this manner. And there are two major objections to the newly announced scheme. First, the concessions are being made to all municipalities alike, without proper scrutiny of their individual needs. This means that some municipalities that do not need the concessions nevertheless get them. And those that need the money badly receive no special consideration. Second, Mr. Hepburn has not bothered to give the legislature an opportunity to express itself on the new policy.

With a heavy deficit, and no apparent prospect of an early surplus, the province should be conserving its revenues instead of giving sop to municipalities. And in any event concessions of this sort should be withheld until the new Department of Municipal Affairs is functioning smoothly and the individual municipal needs are established.

U.S.A. RECOVERY PLANS LACK DEFINITE PURPOSE

(Continued from page 1)

Washington in the last 20 months and to what is going to happen.

Many Instances Cited

A dozen examples could be quoted to illustrate the point. A classic one, of course, is the sudden reversal of policy by the U. S. chief executive during the ill-fated World Economic Conference of last year. This year, outstanding examples that might be cited, are his failure to steer a firm course in balancing the federal budget and his unwillingness to come to grips with famous section 7a (collective bargaining) of the N.R.A. code. Competent observers feel the labor-capital struggle which 7a has engendered may yet prove one of the most powerful single agencies against recovery unless the air can be clarified.

Perhaps by adopting a policy of drift, Roosevelt may in the end achieve a happy solution. In the meantime strikes and industrial warfare seem inevitable.

Another typical example of how the Roosevelt policy works is in the new five-man board charged with responsibility for N.R.A. If the president has any personal conviction as to what is to be done he appears to have kept his counsel to himself, for the board embraces men of widely different viewpoints, and it is difficult to see how they can agree on matters of principle and common policy. Here again there seems a definite lack of fixed purpose as far as the chief executive is concerned.

Last Week's Events

Those who attend his press conferences week by week confirm this view. Last week at one of these conferences I watched him slip adroitly round the thorny question of stabilization and other important matters and later in the day use the same tactics on three thousand eager bankers who came from all parts of the Union to get personal assurances on which to build business and financial confidence.

The address to bankers was cleverly staged in that a few minutes before the president spoke, Jackson Reynolds, head of the first National Bank of New York, rose to his feet (in what was reputed to be his first public address) and as good as told expectant financiers, the presidential address was not going to tell them what they wanted but that nevertheless they ought to get behind their chief executive and help rather than hinder him in the future.

Press reports the next morning were surprisingly favorable but it is probably a fair statement to say that the majority of those that heard him felt they had come seeking bread and had been given stone.

Human Nature Takes a Hand

The New Deal is faltering also where it fails to take the measure of common or garden human nature. Brain-trusts may periodically flout with success the laws of economics but they cannot long overrule human nature.

The N.R.A. experiment is a case in point. Millions of loyal U. S. citizens were prepared to waive personal antipathy to aid a plan which it was believed held possibilities for national recovery. But human nature proved incapable of digesting the violent, heterogeneous mass of codification served up by fiery General Johnston and today the good and the bad of this tremendous experiment, flounders in the melting pot.

On the contrary the agricultural experiment as headed up by Secretary Wallace under "triple A" (Agricultural Adjustment Act) is temporarily the most nearly successful individual sector on the New Deal front. Drouth has helped, of course, but fundamentally A.A.A. has achieved its measure of success because it provided a reasonably workable, understandable plan to raise farm prices and achieve balance between production and consumption. In brief it gave legislative sanction for the first time to a plan of education and "control" which has been carried on in terms which farmers could appreciate and understand for the past 12 years.

The ultimate success of a planned economy of this type is of course another question.

Housing and Replacement

The biggest single project now being faced by the Roosevelt administration is what to do with between four and five million citizens who with their families constitute the army of unemployed. Last year it was CWA which put almost 4,000,000 men to work within a few weeks on local relief projects. That plan has been definitely rejected for 1934-35 and within the next few weeks some new and equally gigantic plan will probably be announced to solve an even more acute problem for the coming winter. It is expected that the plan will be closely tied up with a huge nation-wide housing programme which, after many false starts, seems about to get started under government sponsorship.

Eyes are turned also on the extent to which industry will undertake, either on its own or government initiative, the billions of dollars of replacement work which are needed and which it is believed holds perhaps the greatest hope for revival in the building and construction and heavy industries.

Security Act Overrated

In finance it is hoped that security houses and financiers will realize the very broad possibilities that remain for new security offerings within the terms of the new Securities Act and Washington is giving every assistance to capital along these lines. The definite implication is that the Security Act bark is considerably worse than its bite if Wall Street will only realize it.

The monetary experts hope also that they have seen the end of the deflationary factors which have checkmated month after month the specific steps that have been taken to bring about inflation. Barring an uncontrollable congress in 1935 it is confidently believed that the monetary situation will ensure a favorable period for business recovery in the next few months.

In subsequent weeks some of the things which are being done in this city of "magnificent intentions" will be explored in greater detail in articles in The Financial Post.

Canadian Celanese Plans Clean Up Dividend Arrears

From Our Own Correspondent

MONTREAL.—Directors of Canadian Celanese Co. are meeting in New York this week to consider an arrangement whereby the arrears of dividends on the preferred stock can be taken care of and the way opened for payment of dividends on the common stock.

While no official information is to be had on the plan under consideration, reports are that the one most favored calls for the issuance of certificates of indebtedness or scrip for the balance of arrears amounting to $24 a share, or $2,160,000 in all on the 90,000 shares outstanding. These certificates would carry a fixed rate of interest and would be redeemable.

First Plan Recalled

It will be recalled that in the fall of 1933 an offer was made by the company to the shareholders to settle the arrears of dividends by the issuance of one-half share of common stock and $1.62 in cash for each preferred share held. At the time of the offer arrears amounted to $27.75 a share. Due to opposition to the plan, directors announced its withdrawal in the following month.

Since then various plans have been under consideration by the directors. Meanwhile arrears of dividends have been reduced through the payment of extras each quarter.

As far as current earnings are concerned unofficial reports are that they have held up well, some months running substantially ahead of the corresponding period in 1933. Last year earnings on the preferred stock amounted to $14.01 a share, as against dividend requirements of $7 a share. This was nearly twice the amount reported in the preceding year.

SEE CUT IN DIVIDENDS ON DOM. STORES STOCK AS EARNINGS DECLINE

(Continued from page 1)

arisen in Montreal where two other smaller chains, it is understood, have developed a price cutting war with serious effects on the earnings of Dominion Stores which has one-fourth of its business concentrated in that city. Lately, The Financial Post is informed, this situation has improved and the result may be reflected in better earnings toward the close of the present year.

Nine Per Cent

On the present market value of Dominion Stores shares the dividend return amounts to about nine per cent which is considerably higher than the return on many regular dividend-paying common shares. At a dollar a share dividend, the yield would be between seven and eight per cent, which is still higher than the average return on many shares.

The company is in a strong liquid condition. Current assets at the end of 1933 exceeded current liabilities by $2,729,866 as compared with $2,602,240 in 1932. Of total current assets of $3,714,236, cash amounted to $274,129, government bonds $91,750, guaranteed investment certificates $400,000, prepaid merchandise, $48,897 accounts receivable $315,429 and inventories $2,584,031. There were no bank loans in the liabilities the bulk of the $984,370 total being made up of accounts and dividends payable.

At June 16, 1934, the company reported current assets of $3,929,655 of which $1,366,872 was in cash, bonds or savings certicates. This immediately liquid reserve could, of course, be used to supplement current earnings, if it was decided to maintain the present dividend rate. Such a step, however, is not considered likely, and would not be in keeping with the company's previous policy of holding dividend payments within current share earnings.

Tip Top Tailors Ltd. Appoint Sales Manager

A. M. Talbot has been appointed sales manager of Tip Top Tailors Ltd., it is announced.

Mr. Talbot has been associated with the clothing and men's wear trade in Montreal and Toronto for many years.

MOORE CORP. AND F. N. BURT DOING BETTER

(Continued from page 1)

is a barometer of the activity of business for that reason. It is therefore interesting to note that this business has responded a little more rapidly to the improvement in the United States than has that of F. N. Burt Co. and it can reasonably be expected to keep pace with it.

Moore Corp. more than earned its way in 1933, including adequate provision for depreciation, taxes, interest on bonds of subsidiaries and dividends on "A" and "B" preferred stocks. Only in 1932 did it fall short of earning these dividends completely.

Common Stock Interesting

The common stock of Moore Corp. has not paid dividends since April 1, 1932. Because there are no deferred dividends on the preferred stock any increase in business of this company becomes of immediate moment to holders of common stock. It earned 27 cents a share on common in 1933. The high point of common stock earnings was $2.54 a share in 1929 but it earned $1.26 a share in 1930, 70 cents a share in 1931 and failed by $49,500 in 1932 to show earnings on common.

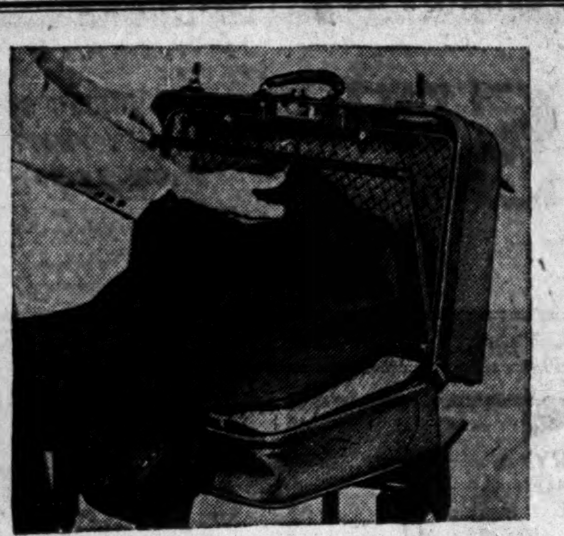
Originally Moore Corp. paid $1 a share on common stock but in 1932 dropped it to a 50 cent rate for one quarter. It has not paid a dividend since then. It earned $75,075 on common in 1933 and would require $138,121 to pay a dividend at the rate of 50 cents and $276,241 to pay $1 a share per annum.

New Insurance Plan Visioned For Ontario

It seems certain that the plan outlined by Premier Hepburn last week, under which the Ontario Government would carry a portion of its own insurance and gradually build up a fund to carry the balance (see page 11) will not be put into effect. Indeed, there is a distinct possibility that the Ontario Government will cancel all its insurance immediately, including insurance carried on liquor stores, and become entirely self-insuring, The Financial Post learns.

If the latter plan is adopted, there is good reason to believe that the recommendations made in the report of G. A. German would thereby be overruled. Although the German report has not been made public, it is known that Mr. German worked closely with a number of large self-insurers and it is thought that his recommendations followed their plans fairly closely.

Under the majority of self-insurance plans adopted by large private concerns only a certain amount of insurance is carried on any one property, the balance being insured through regular insurance channels.



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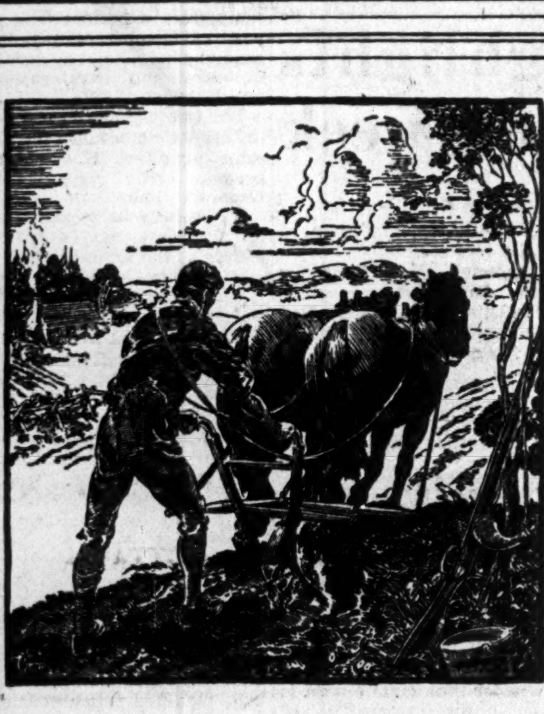

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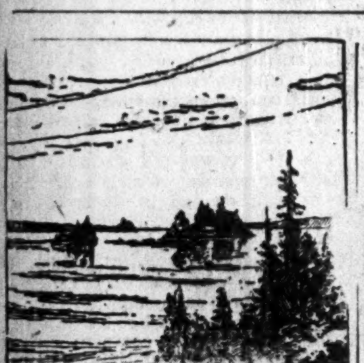

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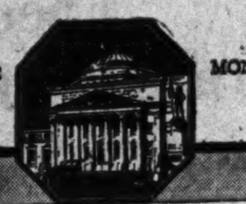

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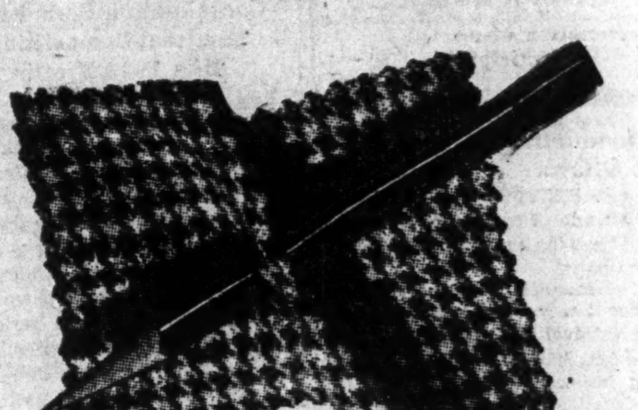

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MAY AFFECT PROBE POLICY

Stevens Will Attempt to Use Price Spreads Commission to Bring Forth Evidence to Prove His Contentions — Group No Longer Has Conservative Majority — Public Will Decide

From Our Own Correspondent

OTTAWA.—Culminating in a crisis which gripped Parliament Hill with breath-taking suddenness last week, the prolonged duel between Prime Minister R. B. Bennett and Hon. H. H. Stevens, Minister of Trade and Commerce, terminated in the resignation of Mr. Stevens from the cabinet as well as from the chairmanship of the Price Spreads Commission.

The resignation, temporarily, has cleared the air. The show-down found the recalcitrant minister without a supporter in the cabinet. For the first time in months there is a united, harmonious cabinet in charge of the nation's affairs. But the price paid, in terms of political prestige, cannot be estimated at this time.

It is thought in some quarters that the forced resignation has hastened a general election and that such a move is inevitable early next spring.

More Upheavals to Come

While the country still reels from the shock of the political crisis, it is clear that other and perhaps more damaging upheavals are to come. Indeed it is impossible to forecast the consequences of Mr. Stevens's resignation. But that it will have a profound effect upon the future of the Conservative party and of the Price Spreads enquiry is certain.

There is no precedent in Canada for the retirement of a prominent minister in a cabinet under similar circumstances to that surrounding the Stevens incident. It is conceded at Ottawa and the by-election campaigns are cited as proof that Mr. Stevens through his crusade against alleged unethical practices has made himself one of the most popular of present day public men. He has been hailed by the rank and file of the party for several months as the sole hope of escaping defeat at the next general election.

May Cost Many Votes

For Mr. Bennett to have forced his resignation is agreed to have been an act of superlative courage but as Conservatives survey the situation they agree that the price, in terms of votes, may be staggering. Although the ink is scarcely dry on the letters exchanged between Bennett and Stevens, the political opponents of the government already are beating tom toms in the back concessions. They are saying that Stevens attacked the big interests and, therefore, was flung from the battlements. They are saying that Bennett government is the tool of big business and that the country can never hope to achieve reform from it.

Nothing, of course, could be more grotesquely false than such statements but they indicate the use which will be made of the incident on the political hustings.

History of the Fight

Ignoring the misrepresentations which will follow naturally from the Stevens resignation, it is known at Ottawa, and clearly indicated in the correspondence, that Mr. Bennett and Mr. Stevens have parted in anger.

Mr. Bennett, in plain language, says that Mr. Stevens grossly misbehaved himself as a Minister of the Crown, that he was guilty of uttering bald falsehoods in public speeches and statements. He practically tells his former colleague that his "explanation" of the famous pamphlet is a lie: that this document was, in fact, prepared by Mr. Stevens for public distribution—a purpose only partially defeated by the prompt suppressal of it by the Prime Minister. On the other hand Mr. Stevens tells Mr. Bennett that he has been too engrossed in international problems to know what is going on in his own country; that he seems incapable of resisting representations from such companies as Simpsons and Eatons: that he knows the cabinet is not in sympathy with his crusade and so on.

It is apparent that Mr. Bennett in calling for a showdown has won the first round of what must be a long-drawn-out, embittered contest.

Between now and the next general election, the country is going to see a battle between two powerful public men, both determined; both well equipped to excel in controversy. Mr. Stevens, it is learned, takes the view that he has been thrown out of the government and the chairmanship of the Commission not by the Conservative party but by the Bennett government. He makes an important distinction between the two. Sooner or later the party will have to choose between them.

Stevens Remains Conservative

Rumors to the effect that Mr. Stevens will bolt the party and seek preferment in the C.C.F. or the Liberal party are baseless. Mr. Stevens has been an enthusiastic member of the Conservative party for some 25 years and he believes passionately that his campaign for business reform is completely in accordance with its most cherished principles.

Therefore he proposes to fight it out with Mr. Bennett, the fight to be waged within the party. He cannot hope for success whilst his adversary is prime minister, but he can and probably does rely upon what will happen after the next election.

The full story of the Bennett-Stevens break is only dimly disclosed in the correspondence. From Mr. Stevens' viewpoint he has been treated with less than justice: from Mr. Bennett's it would appear that the minister's problem was but one of many and therefore received only occasional attention.

Bennett Out of Touch

In a real sense it emerges that if Mr. Bennett were a normal prime minister, leaving detail work to his cabinet, the crisis would never have arisen. He would have been more constantly in touch with what was going on and his colleague would not have gotten out of hand. But having more work to do than his ministers, Mr. Bennett perforce has had to give them their heads. In the Stevens case it is clear that the chasm between them was too wide to be bridged when it was discovered.

Mr. Stevens launched his campaign last January 15 in his famous speech to the Retail Shoe Dealers' Association, for which he was promptly carpeted by the Prime Minister. Mr. Bennett's criticism was that the speech overstepped the line, with regard to policy. Constitutional practice decrees that no minister may commit the government to a policy without previous consultation with the cabinet. Mr. Stevens explained; sent in his resignation. Mr. Bennett was persuaded and did not act on the resignation. Appointment of the special committee followed.

Bennett Did Not Know

For months this committee took evidence in a manner which outraged business men and drew sharp criticism from the press, but it now appears that Mr. Bennett did not know how far the committee had strayed from judicial paths until a few days ago when he received a detailed study of the evidence from officials of his own selection.

Mr. Stevens, however, went right ahead with his inquiry and had no reason to think that his efforts were not pleasing to his chief or to his cabinet and colleagues.

Pamphlet Created Crisis

Early in August the famous pamphlet was released. Mr. Stevens was en route west. The Prime Minister suppressed this pamphlet and telephoned Mr. Stevens over long distance, at Winnipeg. Mr. Stevens gave his explanation; Mr. Bennett apparently accepted it. There appears to have been no ill-will. Mr. Stevens continued west thinking all was well at Ottawa. He made numerous speeches equally as provocative as the Toronto one, but was not censored.

He returned to Ottawa after Mr. Bennett had left for Europe. He neither saw nor heard anything to indicate that the cabinet was critical. On the contrary, Sir George Perley, acting premier, asked him to take part in the by-election campaigns. He did so, proving to be the most popular speaker on the government side.

Meeting Mr. Bennett on his return from Europe, Mr. Stevens was warmly received. The first cabinet meeting brought no indication of the approaching storm. The second cabinet, on October 25, precipitated the controversy. It appears that Mr. Bennett was not the aggressor. Mr. Stevens was attacked by other ministers and it is reported that the role of leading critic was assumed by Hon. C. H. Cahan, Secretary of State. Hon. R. C. Matthews also figured prominently in the attack. Mr. Stevens suddenly found himself without a friend.

Stevens Versus Cabinet

It is revealed, beyond a doubt, that he fought a lone fight in the ministry. Mr. Bennett intervened after the dispute had developed a marked degree of bitterness and he appears to have been at least as critical if not more so than other ministers. It is understood that words passed which will not soon be forgotten. In this quarrel, both parties made scores which will stand for elision long after the actual incident has been forgotten.

The upshot of Thursday's meeting was that Mr. Stevens was given the choice between alternatives:

1. He could continue as chairman of the Commission provided he publicly admitted his mistakes and gave a pledge of future rectitude.

2. He could retire from the chairmanship.

There was to have been a second meeting on the Friday, but Mr. Stevens had had enough. He did not appear and instead sent his letter of resignation from the cabinet as well as from the chairmanship of the Commission.

Announcement came Saturday morning and the reaction from the country was most emphatic. Mr. Stevens received scores of wires praising his work and pledging support and it is an open secret that many were from Conservative members. The government received scores of messages and practically all of them were severely critical.

The letters were published late Saturday afternoon. They are of great importance for one reason. Mr. Bennett did an extraordinary thing. He left the door open for the continued activities of Mr. Stevens as a member of the Commission. It now appears that this may have been a grave error of judgment. Mr. Stevens seized the chance with alacrity. He intends to do his utmost, as a member of the Commission, to justify the statements which caused his retirement: to prove that he was right and the cabinet wrong. The future of the inquiry, therefore, may well develop into a one man show, with Mr. Stevens as much in the spotlight as before.

Commission's Future Plans

Replacing Mr. Stevens as chairman is W. W. Kennedy, Conservative member for Winnipeg, South Centre, and a warm admirer of his predecessor. In changing the chairmanship, the government did not increase the number of commissioners—an oversight difficult to explain. The Commission comprises 11 members, including the chairman who does not vote except in case of deadlock. Excepting the chairman there are five Conservatives, four Liberals, one C.C.F. With the Conservatives acting together government control of the Commission was assured. But with the five Conservatives including Mr. Stevens, and with the Liberals and the C. C. F. member favorably inclined to a wide open inquiry, it is apparent that Mr. Stevens is a force still to be reckoned with. The government, almost certainly, has lost control of the inquiry. The split might easily be 6-4, with the Conservatives in the minority.

Future Complicated

Two factors complicate this view of the future of the inquiry. Upon close study it appears that the order-in-council constituting the commission definitely restricts the inquiry to the hearing of evidence on matters already examined, more or less completely, by the special committee. And it would appear that the Commission lacks power to compel the attendance of witnesses and the production of documents. The Commission, apparently, was designed to hear rebuttal evidence from those desiring to come before it: to mop up after the committee. The industries which are to be investigated are definitely identified as the chain stores, agricultural implements, fish, flour and bakeries, and canned fruits and vegetables. There is no mention of textiles, steel wares, newsprint or packing plants.

But if Mr. Stevens intends to justify past statements he must have the inquiry greatly broadened and this will have to be done by government action.

The ex-minister in beginning his effort to justify himself is relying on the statement in Mr. Bennett's letter announcing the acceptance of his resignation—that he would be given every opportunity to call witnesses and demand the production of documents.

The Commission began, on Tuesday, an inquiry into the fishing industry of the Maritime Provinces. But it is expected that within a few days Mr. Stevens will open his battle by demanding that the Commission turn to the matters in dispute between himself and the government.

From Mr. Stevens's viewpoint, the issue is of supreme importance. He is fighting for his political life, with the party leadership as the prize for success, and oblivion as the penalty of failure.

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Heads "Codes" Survey

WILLIAM ANDERSON

Deputy minster of trade and industry in Alberta who will make a survey of the industrial situation in the province in respect of proposed codes under the new industrial legislation. Mr. Anderson is manager of the Hayward Lumber Co., Edmonton.

LIFT ROAD COSTS GIVE BEER GRANTS TO MUNICIPALITIES

Ontario Cedes 20% Beverage Revenue and Assumes Highway Costs

Starting Nov. 1, Ontario municipalities will be granted 20 per cent of the revenues obtained from sales of beer and wine and from beverage license fees obtained by the province within the individual municipalities, according to an announcement early this week by Premier M. F. Hepburn.

The municipalities will also be relieved of the provincial imposition upon them of the 20 per cent portion of the cost and maintenance of provincial highways, it was announced.

The provincial view is that it will be ceding part of new revenues in the grant of beverage revenues to municipalities; that the only cost of this scheme will be a lesser increase in provincial revenues. Premier Hepburn stated that the cost of relieving municipalities of highway charges would be offset by changes in the system of letting contracts, reduced administrative expenses and cheaper money.

Expect Acceptance

Some Ontario municipal officers have indicated their disapproval of acceptance of beverage revenues. It is expected, however, that most municipalities will accept the increase in income.

It is estimated that the total revenue to municipalities from the beverage grants will be about $150,000 in the next year. The savings to municipalities in the relief from highway charges will be more substantial. In Toronto alone, the 1934 estimates provided $80,000 for provincial highways, and the amount has been as high as $273,000 in one year.

Provincial Position

In the fiscal year ended Oct. 31, 1933, the province charged municipalities $318,612 on current account and $2,337,048 on capital account in connection with highways and bridges.

Mr. Hepburn stated, in connection with the changes: "There is no denying that governments of the past have invaded every sphere of municipal taxation. The amusement tax, succession duties tax, corporation tax, and many other taxes go to the government; the municipalities get nothing."

AUSTRALIA HOLDS 1933-34 DEFICITS TO £5,575,000

Total £4,000,000 Less Than Anticipated Sum of Deficits

Combined deficits of the seven state governments and of the Commonwealth of Australia totalled £5,575,000 for the 1933-34 fiscal year, or nearly £4,000,000 less than the total agreed by the Australian Loan Council, according to a recent preliminary analysis by E. T. McPhee, Commonwealth statistician.

The seven governments estimated their combined deficits would be £9,516,000 in the 1933-34 year. All figures given are in Australian pounds, or 25 per cent off sterling.

The finances of the Commonwealth government are chiefly responsible for the favorable results, an estimated deficit of £1,176,000 having been converted into an actual surplus of £1,300,000. Western Australia was the only state government which did not end the year with a lower deficit than anticipated.

Comparative figures follow:

	1933-34 Actual Deficits £	1933-34 Agreed Deficits £	1932-33 Actual Deficits £
C'wealth	†1,302,000	1,176,000	†3,547,000
N.S.W.	3,300,000	3,790,000	3,631,000
Victoria	795,000	800,000	842,000
Queensland	1,129,000	1,850,000	1,554,000
S. Australia	844,000	1,100,000	1,009,000
West. Aust.	789,000	750,000	864,000
Tasmania	20,000	50,000	55,000
Totals	5,575,000	9,516,000	4,408,000

† Surplus.

Receipts Gained

Preliminary figures show that for 1933-34 actual receipts exceeded the estimates in all states, except Victoria and Western Australia, where they fell short by £92,000 and £59,000 respectively.

As regards expenditure, Tasmania, with an excess of £134,000 and Victoria, with an excess of £4,000, were the only states where estimated expenditure was exceeded. In Tasmania, however, the excess was more than offset by increased receipts, which exceeded the estimate by £191,000. Australia contributes to loan sinking funds nearly double the amount of the estimated deficits for 1934-35.

Capital Outlays

Loan expenditure on capital account by the combined governments during 1933-34 is shown at £20,185,000, but repayments during the same period totalled £4,281,000. In 1932-33 the total net loan expenditure was only £10,263,000.

Obituary

Edward W. Backus, of Minneapolis, died suddenly in New York on Oct. 29, in his 75th year. He was former president of the Minnesota and Ontario Paper Co. The grant to Backus of some 3,000 square miles of English River limits in Northwestern Ontario some years ago by the Ontario Government developed into a political issue.

Walter E. Booth, head of W. E. Booth Co. Ltd., lithographers and printers, died in Toronto, Oct. 27. Mr. Booth, who was in his 61st year, was one of the founders of the Canadian Manufacturers' Association.

George Coltman Biggar, senior partner in Biggar and Crawford, members of the Toronto Stock Exchange, died recently at Toronto in his 68th year.

OPPOSITION GROWS TO POOLING PLAN THROUGHOUT WEST

Merchants, Producers of Poultry Organize to Fight

From Our Own Correspondent

WINNIPEG.—Dissension is spreading in western Canada over proposals of the Saskatchewan and Manitoba poultry pools and the Saskatchewan livestock pools to have the marketing of prairie poultry, eggs and livestock brought compulsorily under their jurisdiction through operation of the Natural Products Marketing Act. One of the particularly interesting features is the attitude taken by other farmers' organizations.

The Saskatchewan Co-operative Dairies, which, in addition to its dairy business, conducts a large volume of business in poultry products has declared itself in opposition.

U.F.M. Oppose Plan

At the annual meeting of the United Farmers of Manitoba in Brandon last week Roy McPhail, retiring president of that organization and head of the Manitoba Livestock pool declared the opposition of his organization to the proposals put forward by the Saskatchewan Livestock Pool, and let it be known that there would be determined resistance to any attempt to establish in Manitoba the kind of livestock control such as is being attempted in Saskatchewan. This was the more striking since it took place immediately after the head of the Saskatchewan Livestock Pool had given an address to the meeting outlining the proposals which have been made from that province to the Dominion Marketing Board.

In Saskatchewan the Retail Merchants Association has taken a poll of its members as to their attitude towards the poultry scheme, 670 members declaring themselves against it, while 16 were in favor. This result is considered very striking, inasmuch as the compulsory egg handling scheme is built around a plan of having rural merchants act as agents for the pool in collecting eggs, and it was generally supposed they might lend a certain amount of support to the plan in view of the place they were expected to occupy in working it.

As a result, representations from the Retail Merchants Association have gone forward to Ottawa, and there are also under way plans for consolidating country opposition. In Manitoba, active organization against the poultry pool plan is under way, led by the specialized poultry producers in the vicinity of Winnipeg, who are urging local organization of units throughout the province in order to combat the scheme. In addition, the Manitoba Retail Merchants Association, having discovered by pool that its members are opposed to the plan, is placing petition forms in the hands of hundreds of rural merchants for them to secure signatures of farmers in opposition.

Rubber Imports Direct

First crude rubber shipment ever to come to Montreal direct from the Straits Settlements was unloaded recently. Future shipments will be made in this manner, it is understood.

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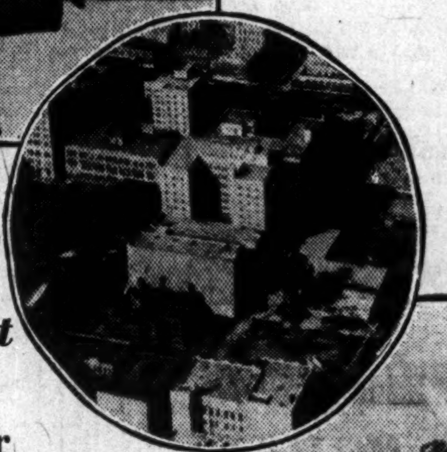

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CANADIAN PACIFIC OPERATING INCOME UP IN SEPTEMBER

Advance in Expenses Cuts Down Gain in Gross Revenue

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway's monthly reports on operating income continue to make good reading for the shareholders in that both gross and net income for September were on a higher basis than for the same month a year ago.

Gross income last September totalled $12,042,792. This is in contrast with $11,173,335 for the same month in 1933, an increase of $869,457.

Much of the gain in gross revenue was offset by an advance in operating expenses, which amounted to $9,009,212. The result was that net income amounted to $3,033,580 compared with $3,003,328 for September last year, an increase of only $30,251.

Show Larger Net

Cumulative returns for the first nine months of the present year show a gross revenue from operations of $90,900,318, or $8,917,789 more than for the same period a year ago. Increased operating expenses absorbed more than $5,200,000 of the gain in gross, so that net income from operations for the period totalled $13,670,107. This represents a gain of $3,698,656 over the first nine months of 1933.

With the last quarter a period of heavy earnings normally, expectations now are that the company will be able to cover its fixed charges, with a fair amount left over for the preference stock. There is a possibility that earnings will be sufficient to cover the latter dividend, but unless there continues an appreciable improvement in operating income it is unlikely that the directors will be in a hurry to restore the preference stock to a dividend paying basis. This stock is non-cumulative as regards dividends, so that the company is not building up any liability through its failure to pay dividends.

Southern Canada Power Reduces Electricity Rates

From Our Own Correspondent

MONTREAL — Southern Canada Power Co., which serves St. Hyacinthe district and the greater part of the Eastern Townships of Quebec, has announced a new rate schedule effective with the beginning of November.

This reduction was scheduled to start in April 1935 only, but the company decided to apply the new rates at once.

Under the new schedule the flat rate will be reduced from 40 to 30 cents net. Electricity will cost three cents net per kilowatt hour for the first 60 kilowatt hours and one and one half cents per subsequent kilowatt hour.

The new rates apply to Granby, Drummondville, St. Johns and St. Hyacinthe, while various reductions are being made for other towns and municipalities served by the company.

Canadian Bronze Makes Pact With Robt. Mitchell

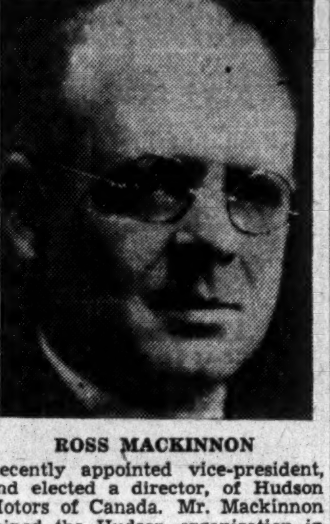
From Our Own Correspondent

MONTREAL — Arrangements are reported to have been made whereby Canadian Bronze Co. will take over the railway bearing business of Robert Mitchell Co. The consideration for the transfer is said to be cash, and not through stock.

The Mitchell organization entered the railway bearing business in 1928 as a result of the purchase of the National Bronze Co.

While Canadian Bronze will take over certain physical assets of the National Bronze plant, they will not take over the entire foundry which will continue to be utilized by the Robert Mitchell Co. for its other products.

New Hudson Executive



ROSS MACKINNON

Recently appointed vice-president, and elected a director, of Hudson Motors of Canada. Mr. Mackinnon joined the Hudson organization in 1933 as general sales manager, having been on the sales executive of another automobile manufacturer since 1920. He commenced his business career with the Pease Foundry Co., Toronto, in 1903.

Howard B. Thomas has also been added to the board of the company.

SHAWINIGAN CUTS DOMESTIC RATES

Lower Tariff is Approved by Three Rivers Council

From Our Own Correspondent

MONTREAL—Shawinigan Water and Power Co.'s new rate schedule for Three Rivers has received the approval of the City Council.

The present contract between the company and the city does not expire till 1936. Last September the company and the city reached an agreement and the new rates for consumers are the outcome.

Hereafter there will be only two categories of rates, that for private residences and that for business, commercial and manufacturing concerns. The new rate for private consumers drops from 3½ cents to 2¼ cents per kw.h. after the first 30 kw.h. One meter per household will be charged for, the other meter being rental free and the reading taken as of one. The present rate is six cents per kw.h., with 16 2-3 per cent discount. The new rate also allows a 10 per cent discount and a 33-cent fixed service charge.

For commercial uses, the monthly charge of 55 cents is reduced to 33 cents.

The new rates are effective November 10.

MEXICO TRAMWAYS ISSUES SECURITIES

Bondholders Can Obtain Mexican L. & P. Issues in Exchange

Arrangements for distribution of securities of the Mexican Light & Power Co. to holders of the five per cent first mortgage and six per cent mortgage bonds of Mexico Tramways Co., have been completed, according to a recent notice to bondholders.

The new securities will be issued in accordance with the plan of distribution of assets of the Mexican Light & Power Co., outlined in The Financial Post of June 30, 1934.

Holders of Mexico Tramways Co. bonds have been notified that in order to obtain the securities and cash to which they are entitled, they must surrender their bonds to National Trust Co., Toronto, or to Canadian and General Finance Co., London. The scheme for distribution of the assets of the Light & Power Co. to the bondholders of the Tramways Co. was approved by bondholders on July 16, 1934, and on August 10, 1934.

NATIONAL SYSTEM EXPENSES OFFSET ADVANCE IN GROSS

September Shows Decline in Net — Cumulative Figures Higher

From Our Own Correspondent

MONTREAL — Increased operating revenues of the Canadian National Railways for September were offset by an advance in operating expenses, according to an interim statement issued by the railway.

Operating income in September, 1934, totalled $14,940,269, a gain of $858,212 over the same month a year ago. The advance in operating expenses, including pensions, however, was more than sufficient to offset the gain, with the result that net operating income for last September totalled only $2,010,244, as against $2,058,858 in September 1933.

Earn More This Year

For the first nine months of the calendar year the earning power of the National System was on an appreciably larger basis than for the corresponding period of 1933. Income amounted to $121,962,709. This is in contrast with $108,216,280 for the same months last year, an increase of $13,746,429.

The increase in traffic and resultant revenues finds reflection in operating expenses, which for the January-September period of 1934 aggregated $114,820,204, an increase of $7,511,296 over last year.

Net operating income for the nine months of 1934 shows up favorably compared with a year ago, having amounted to $7,142,505, or $6,235,133 more than in the corresponding period of 1933.

HYDRO POWER SALES MOUNTING TO MAKE STEAM

Even Niagara System Makes Large Increase in Secondary Load

In the report of the Hydro-Electric Power Commission of Ontario for September, an increase of 23.8 per cent over the same month of 1933 is shown for primary and secondary loads taken at the maximum 20-minute peak horsepower. This large increase is due to the amount of electrical energy supplied at very low prices for the production of steam by electric boilers in paper plants. The power now devoted to this purpose, it is stated, can be withdrawn at will when more profitable uses for it can be found.

As in August, the following tables show a decline in loads in the Georgian Bay and Thunder Bay regions, and increases in the Niagara, Eastern Ontario and Northern Ontario districts, especially in the last two sections. The increase in secondary loads in the Niagara, Eastern Ontario, Thunder Bay and Northern Ontario districts is also made very plain by these tables.

Hydro-Electric Power Commission of Ontario
Monthly Summary of Loads
September, 1934

	Max. 20-min. peak horsepower Sept., 1934	Sept., 1933	% Incr.
Primary Load:			
System:			
Niagara	824,397	795,845	+3.6
Eastern Ontario	97,192	82,185	+18.3
Georgian Bay	24,815	25,985	—4.5
Thunder Bay	53,351	61,118	—12.7
Nor. Ontario prop.	47,268	33,730	+40.1
Total, all systems	1,047,023	998,863	+4.8
Primary and Secondary Load:			
System:			
Niagara	1,143,164	968,632	+18.0
Eastern Ontario	125,141	82,185	+52.3
Georgian Bay	24,815	25,985	—4.5
Thunder Bay	87,801	69,000	+27.2
Nor. Ontario. prop.	79,440	33,730	+135.5
Total, all systems	1,406,361	1,179,932	+23.8

Purchased power commitments, September 30, 1934 — 548,637 h.p.

DOMINION COAL TRADE FOR 1934 ON LARGER BASIS

St. Lawrence Business is Best in a Long Time, Says Dosco Head

From Our Own Correspondent

MONTREAL—Shipments of coal up the St. Lawrence River this year by the Dominion Coal Co., controlled by Dominion Steel and Coal Co., will total about 3,000,000 tons, or about 1,000,000 tons more than was reported for the 1933 navigation season. The value of such shipments this year will be from $12,000.000 to $15,000,000.

In commenting upon the improved coal situation this year, Sir Newton Moore, head of Dosco, is quoted as saying that the assistance extended by the Federal Government was of considerable value. Increased coal tariffs and enlarged and extended transportation subventions, he said, had been the salvation of the industry during the difficult times of the past few years, while Federal orders for steel rails had been of great benefit to the Cape Breton steel industry in providing a "back-log" and enabling the company to go out into foreign markets and secure additional orders for steel products

Mines Are Active

At present, operations at the Dominion Coal Mines are very active, with every effort being made to get all possible coal up the St Lawrence before the close of navigation Then, when navigation closes, the rail subventions will be most valuable.

Last winter Nova Scotia mines shipped an unusually heavy volume of rail coal to Ontario and Quebec, the amount being around 190,000 tons, as against a normal winter rail shipment of about 65,000 tons.

The better demand for Nova Scotian coals is well illustrated by the amount of coal taken by the LaSalle plant of the Montreal Coke and Manufacturing Co. During the current calendar year the company will take about 187,000 tons of Nova Scotia coal, as compared with less than 90,000 tons last year. The greatest previous year's order sent to the LaSalle plant from Nova Scotia was about 150,000 tons.

Consider Abandonment Constitutional Conference

Federal Government Sees No Hope for Unanimity Judging from Replies of the Provinces — Has Become Party Fight

From Our Own Correspondent

OTTAWA.—Forced to the conclusion that unanimity is impossible of achievement, the Bennett government, it is learned, is seriously considering complete abandonment of the constitutional conference scheduled for this month.

It appears that in their official answers to Mr. Bennett's invitation to Ottawa, some of the provinces have announced their antagonism to any constitutional change involving a lessening of provincial jurisdiction. And in a broad way, it has become abundantly clear that most of the provinces are in no mood to surrender rights to Ottawa except at a price which the Bennett government cannot consider. They are perpared to demand a revision of taxing powers which would rob the national treasury of essential revenues. The minimum, it would appear, is that Ottawa abandon the field of the income tax, leaving this source of revenue entirely to the provinces.

Becomes Party Fight

By and large, most of the provincial governments (being of the Liberal persuasion) are dealing with the proposed conference on a political basis. They appear to be intent upon doing as much damage to the present government as circumstances permit, without enabling Premier Bennett to make any appreciable headway in revising the British North America Act.

Under these circumstances, the Dominion will probably call off the conference. Two courses will then be open to Mr. Bennett. If he believes that conditions warrant Federal intervention in social matters such as control of wages and hours of labor, price regulation etc., he may enact laws relying upon the courts to uphold their validity under the constitutional heading of Trade and Commerce. The British North America Act gives the Dominion exclusive jurisdiction in this field. Or he may repudiate the claims of the provinces to the right of prior consultation in constitutional amendments, and put a resolution through the Commons and the Senate inviting the British Parliament to amend the B.N.A. Act.

No decision with respect to the conference has yet been reached but if it is cancelled it will not necessarily imply that social reform has been indefinitely postponed.

MACKINNON STEEL REDUCES DEFICIT LAST FISCAL YEAR

Better Operations Helpful in Lowering Losses Last Season

From Our Own Correspondent

MONTREAL. — Better operations are reflected in the income account of the MacKinnon Steel Corp., for the fiscal year ended last July, the financial statement showing a loss on operations of only $2,252 as against $25,073 in the preceding twelve months period.

The income account of MacKinnon Steel covering the 1933-34 year shows a deficit of $2,327, after taking into consideration income from investments and the payment of directors' fees. For 1932-33 there was a net deficit of $38,198, including payment of $13,125 on account of preferred stock dividends.

Net Loss Lower

Particulars of the profit and loss account for the past two years follow:

	Year Ended July 31 1934 $	1933 $
Oper. loss	2,252	25,073
Inc. from invest.	850	....
Deficit	1,402	25,073
Directors' fees	925	....
	2,327	25,073
Pref. dividends	....	13,125
Net deficit	2,327	38,198
Prev. surplus	3,856	42,054
P. & L. surplus	1,529	3,856
Working Capital Position		
Current assets	211,815	198,129
Current liabilities	16,679	2,457
Net working capital	195,136	195,673

Note: Depreciation provided for by transfer of $12,000 and $10,000 for 1933 and 1934 respectively from surplus arising from redemption of preferred stock at discount.

The improvement in business for the company is indicated in an increase in accounts receivable at $65,575, up from $13,877, and in inventories at $23,853, a gain of more than $5,000. Cash is shown at $108,838, down from $146,384, while investments are unchanged at $19,550.

Bauer and Black Ltd. Take Dom. Motors Bldg.

Following the merger of Bauer & Black Ltd., and Lewis Manufacturing Co. with the former name retained, the new concern plans expansion.

One of the buildings of Dominion Motors at Leaside, Ontario has been taken over where large scale production of surgical dressings, first aid supplies and specialized textiles will be undertaken.

May Make Payment Soon on Dom. Savings Shares

Assets of Dominion Savings and Investment Society of London have nearly all been liquidated by the Trusts & Guarantee Co., and there is a possibility of a small payment on the shares this year, The Financial Post is informed.

It is understood that 65 per cent of the par value has already been returned to shareholders and that another four or five per cent may be paid soon. There is a hotel property in Chatham which may be sold in the near future, in which case a distribution to shareholders would be deferred until the transaction is completed, it is understood. If this sale is delayed, however, it is expected that cash now on hand will be paid to shareholders of the society.

The Dominion Savings and Investment Society went into liquidation in 1922.

Young Named Gen. Mgr. National Terminals of Can.

From Our Own Correspondent

MONTREAL — Frank A. Young, general eastern passenger agent of the Canadian National Railways at New York, has been appointed general manager of the National Terminals of Canada, Montreal, in succession to Alexander Fleming, who has retired after many years of service.

Railway Earnings

Canadian National Railways

September:	1934 $	1933 $	Increase
Gross rev.	14,940,269	14,082,057	858,212
Oper. exp.	12,930,025	12,023,199	906,826
Net rev.	2,010,244	2,058,858	†48,614
9 Mos. Ended Sept 31:			
Gross rev.	121,962,709	108,216,280	13,746,429
Oper. exp.	114,820,204	107,308,907	7,511,296
Net rev.	7,142,505	907,373	6,235,133

† Decrease.

Canadian Pacific Railways

September:	1934 $	1933 $	Increase
Gross earn.	12,042,792	11,173,335	869,457
Work exp.	*9,009,212	8,170,006	839,206
Net profits	3,033,580	3,003,328	30,251
9 Mos. Ended Sept. 31:			
Gross earn.	90,900,318	81,982,529	8,917,789
Net profits	13,670,107	9,971,451	3,698,656

* Includes pensions.

Foreign Exchange Markets

CANADIAN dollars have been firm in the past week. This, despite low wheat exports, increasing issues of Dominion currency, and the usual seasonal decline of the tourist business. Ordinarily these factors would be expected to weaken the Canadian dollar, and there is some feeling that softness may develop before the end of the year. Interest and principal payments on debt abroad may also tend to soften the Canadian currency.

The answer to the strength of the Canadian dollar is believed to lie in increased confidence in the Canadian economy, despite such offsetting factors as the increased currency issues.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Oct. 23	Oct. 24	Oct. 25	Oct. 26	Oct. 27	Oct. 29
U. S. dollar, High	.5906	.98 1/16	.98 1/8	.98 1/16	.98 1/8	.97 15/16	.97 7/8
Low	.5906	.97 15/16	.97 15/16	.98	.97 15/16	.97 7/8	.97 13/16
1933 High	1.000	1.03	1.02 5/8	1.02 1/4	1.02 1/8	1.02 1/16	1.02
Low	1.000	1.02 1/2	1.02 1/16	1.01 3/4	1.01 3/4	1.00 15/16	1.00 7/8
U. K. pound	4.8665	4.87	4.88	4.87	4.86	4.86	4.85 3/4
Argentina	.4246	.2568	.2569	.2551	.2546	.2546	.2544
Australia	4.8665	3.8791	3.8860	3.8796	3.8720	3.8681	3.8656
Austria	.1407	.1868	.1863	.1867	.1863	.1863	.1859
Belgium	.1392	.2300	.2294	.2296	.2290	.2288	.2284
Brazil	.1963	.0736	.0720	.0721	.0719	.0719	.0719
Czechoslovakia	.0296	.0412	.0410	.0416	.0410	.0410	.0409
Denmark	.2680	.2177	.2182	.2182	.2173	.2171	.2160
France	.0392	.0648	.0647 1/2	.0647	.0646	.0645 3/4	.0645
Germany	.2382	.3964	.3954	.3956	.3948	.3950	.3942
Greece	.0130	.0094	.0093	.0093	.0093	.0093	.0093
Holland	.4020	.6638	.6648	.6652	.6636	.6638	.6627
Hungary	.1749	.2955	.2946	.2948	.2942	.2943	.2940
India	.3650	.3711	.3721	.2723	.3700	.3702	.3693
Italy	.0526	.0843	.0840	.0842	.0839	.0837	.0837
Japan	.4985	.2847	.2856	.2865	.2844	.2845	.2842
Jugoslavia	.1929	.0225	.0225	.0225	.0224	.0224	.0224
New Zealand	4.8665	3.8947	3.9015	3.8951	3.8874	3.8816	3.8811
Norway	.2680	.2449	.2455	.2453	.2446	.2443	.2441
Poland	.1122	.1877	.1875	.1876	.1872	.1872	.1872
South Africa	4.8666	4.8664	4.8749	4.8670	4.8573	4.8500	4.8493
Spain	.1929	.1344	.1342	.1343	.1339	.1339	.1338
Sweden	.2680	.2513	.2520	.2518	.2511	.2507	.2505
Switzerland	.1930	.3210	.3204	.3207	.3197	.3197	.3192
Hong Kong	.5422	.4006	.4010	.4037	.4023	.4005	.3972

BRONZE POWDERS EXTENDING PLANT CARE FOR DEMAND

Current Earnings Running Better Than $300,000 Annually

From Our Own Correspondent

MONTREAL—International Bronze Powders, which recently carried out public financing through Nesbitt, Thomson and Co., announce an increase in the capacity of the Valleyfield, Que., plant through the construction of two new additions.

According to a statement issued by the company the present capacity of the plant cannot cope with the demand which is being experienced for its products. All the Canadian and export business is supplied from the Valleyfield plant and in order to supply the demand it has been necessary to operate the plant on a day and night shift.

Large Share of Trade

At present, International Bronze supplies over 90 per cent of the Canadian market for bronze and aluminum powders, and a large proportion of the English market, as well as shipping its product to the Orient, Australia, New Zealand, etc. From the company's two plants at Malone, N.Y., and Closter, N.J., between 35 and 40 per cent of the whole United States' market is supplied.

Increasing business is said to be reflected in the company's earnings which are running at the rate of over $300,000 yearly.

Conduct Pulp Tests on Tasmanian Hardwood

From Our Own Correspondent

MONTREAL. — B. C. Pulp and Paper has carried out experimental tests at Ocean Falls, on the manufacture of pulp from Tasmanian eucalyptus wood. According to reports, the test was successful, it being claimed that 90 per cent of eucalyptus pulp can be used.

This test at Ocean Falls forms part of a campaign which is being conducted by the Australian and New Zealand Governments in their endeavor to see if it is possible to establish a paper-making industry. Several experimental lots of hardwood have been sent to plants in Canada and United States for pulpmaking. While considerable progress has been made in producing pulp, reports are that developments have not yet reached the stage which would justify the establishment of a paper plant.

Newsprint Export Values Lower for September

From Our Own Correspondent

MONTREAL—Newsprint exports in September were valued at $6,569,000 compared with $6,612,000 for the same month last year, according to government trade returns. The bulk of $5,151,000 went to the United States, the next best customers being Australia at $632,000; Japan, $261,000; United Kingdom, $161,000; and Argentina $130,000.

The total exports of paper were of the value of $6,963,000 compared with $6,921,000.

Export of wood pulp and screenings in September was 1,024,471 cwts. of the value of $2,123,673. This is in contrast with 1,261,667 cwts., worth $3,372,807 a year ago. The pulp wood export was $1,037,350, as against $792,168.

An Expanding WORLD MARKET

INTERNATIONAL BRONZE POWDERS LIMITED ships gold bronze powders and aluminum powders from its Valleyfield, Que., plant to every continent and carries on an extensive business throughout the United States through its two American plants.

New uses for these products are being constantly opened up. Its wholly-owned subsidiaries have been consistently successful and have expanded steadily.

It is estimated that earnings available for dividends in 1934 will be over 2½ times the fixed preferential dividends on the Preferred shares.

INTERNATIONAL BRONZE POWDERS LIMITED
6% Cumulative Participating Preferred Stock
(Non-callable)

After the Common shares have received dividends of $1.50 per share in any one year, the Preferred shares participate share for share with Common shares in any further dividends paid in that year.

Price: $23.00 per share to yield 6.52%

Full details regarding the terms, provisions and rights of these shares will be furnished upon request

NESBITT, THOMSON and Company Limited
355 St. James Street West, Montreal, Que.
Branches in all the principal cities of Canada

167A

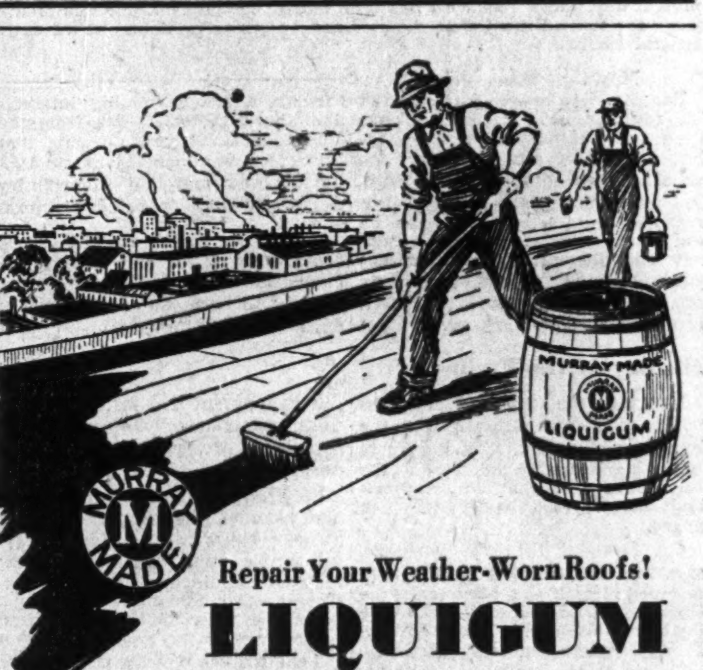
Reinvest November Funds at 3.50% to 6.50%

To assist in the reinvestment of November funds, we have prepared a list of Canadian Government and Corporation Bonds which combine sound security and substantial interest return.

Bonds at prices to yield from 3.50% to 6.50% are included. We shall be pleased to forward a copy upon request.

Wood, Gundy & Company Limited
Toronto — 36 King Street West — Vancouver
Montreal — Toronto — New York
Winnipeg — PHONE: ELGIN 4321 — London, Eng.

INVESTMENT SECURITIES
W. C. PITFIELD & COMPANY LIMITED
235 ST. JAMES STREET WEST MONTREAL
TORONTO OTTAWA QUEBEC SAINT JOHN FREDERICTON HALIFAX VANCOUVER LONDON, ENG.



MURRAY Protective Coatings for all surfaces

Repair Your Weather-Worn Roofs!

LIQUIGUM

makes roofs weather-proof. It is a durable, easily-applied roof coating in liquid form. Liquigum efficiently protects any roof surface against rust and deterioration. Your own workmen can apply Liquigum with a brush.

A coating of Liquigum now means roof insurance against summer sun and winter snow.

Alexander MURRAY & Company LIMITED
MONTREAL-TORONTO-HALIFAX-SAINT JOHN-WINNIPEG-VANCOUVER
Affiliated with Dominion Tar & Chemical Co. Limited
Canada Creosoting Co. Limited—Fibre Conduits, Canada, Limited

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Personality in Business

Executives who realize the importance of personality in business insist on stationery which will command respect and create confidence. EARNSCLIFFE LINEN BOND is a paper with personality. Its texture and impressive finish lend it prestige . . . its high grade *rag content* ensures an efficiency—a durability well beyond the usual requirements. An excellent letter paper, it is also particularly suitable for Notes, Drafts, Contracts, Insurance Policies and other important forms and documents. Specify Earnscliffe to your printer in your next letter head or stationery order.

Made in white and 8 business-like colours

This watermark identifies Superfine Linen Record, Rolland Antique, Earnscliffe Linen Bond, Colonial Bond, Mount Royal Bond, Service Bond, Rockland Bond, and other fine papers.

ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers Since 1882
MONTREAL

News of Investment Markets

CANADIAN BONDS SLIGHTLY SOFTER; TWO BIG DEALS

Expansion of Bank Cash Seen as Favorable to Market

Canadian bond prices moved slightly downward in the week ended Oct. 30. Gilt-edged issues yielded fractions as did western provincial bonds. The corporation bond list showed few changes, and those mostly for fractional losses.

The Dominion Government negotiated the largest transaction of the week with the sale on Oct. 30 of $20,000,000 of treasury bills due in three and six months. Buyers took $1,600,000 of the three-month bills at an average cost of 2.35 per cent and $18,400,000 of the six-month bills at an average rate of 2.47 per cent. Last April 2½- and 5½-month bills cost the government 2.41 and 2.71 per cent respectively. The Temiskaming and Northern Ontario Railway called for tenders on $7,500,000 of 20-year 3½ per cent debentures, Ontario-guaranteed, on which tenders were formely rejected as unsatisfactory.

Market Receptive

The receptiveness of the market for highly regarded municipal issues was demonstrated in the sale of $60,000 of Simcoe, Ont., 4½'s at a cost to the town of only 4.16 per cent.

Changes in prices for western provincial bonds were of a minor nature. Among corporation issues, International Hydro 6's flopped down two points on the bid side to 45¼. Gypsum, Lime 5½'s dropped 1¼ to 78, and Abitibi 5's lost 3½ points to 27½ bid.

The expected issue of $6,000,000 MacLaren-Quebec Power first 5½'s failed to materialize.

Favorable Factor

A feature favorable to the gilt-edged bond market is noted in analysis of the bank statement for September. Although bank cash had increased some $35 million since June 30, credit expanded only about $5 millions in the period. Close observers anticipate that the result of the expansion of bank cash may be to swell bank investments in securities in the next six to eight months.

The downward trend of gilt-edged bonds in the past week is indicated below:

Average Yield and Price for Seven High Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Oct. 30	3.820	110.16	Oct. 30	4.421	103.50
Oct. 29	3.819	110.19	Oct. 28	4.437	103.45
Oct. 27	3.816	110.20	Oct. 27	4.437	103.45
Oct. 26	3.810	110.27	Oct. 26	4.430	103.49
Oct. 25	3.799	110.40	Oct. 25	4.427	103.53
Oct. 24	3,793	110.45	Oct. 24	4.420	103.66
Oct. 23	3.784	110.57	Oct. 23	4.419	103.68
Oct. 22	3.791	110.48	Oct. 21	4.411	103.77
Oct. 15	3.857	109.79	Oct. 14	4.430	103.73
Sept. 29	3.814	110.32	Sept. 30	4.459	103.34

Loblaw Sales Are Higher But Profits Slightly Less

Loblaw Groceterias sales for the four weeks period ended September 22 continued to grow, but profits were down slightly from the same period in 1933. Sales for the month amounted to $1,107,733 as compared with $1,054,926 for the same month a year ago, and net profits were $48,962 as compared with $49,945.

For the sixteen weeks ended September 22, 1934, sales were $4,388,772 as against $4,034,118 for 1933. Profits during this same period amounted to $199,115 as compared with $195,177 for the sixteen weeks in 1933.

Bond Sales

Three Rivers Schools

L. G. Beaubien & Co. has bought $175,000 of five per cent bonds, due serially over 15 years, of the R. C. School Commission of Three Rivers, Que. Maturities up to 10 years are being offered at 100 and longer term bonds at 99½.

Simcoe

Town of Simcoe, Ont., has sold $60,000 of 4½ per cent, 20-installment debentures to D. Gilbertson, Simcoe, at 103.059, a cost basis to the town of about 4.16 per cent. Bids were as follows:

David Gilbertson	103.059
C. H. Burgess & Co.	102.26
R. A. Daly & Co.	101.83
McLeod, Young, Weir & Co.	101.57
Dominion Securities Corp.	101.537
Harrison, Stringer & Co.	101.45
Wood, Gundy & Co.	101.07
Harris, MacKeen & Co.	101.06
Williams, Partridge & A.	100.872
Isard, Robertson & Co.	100.87
Bell, Gouinlock & Co.	100.87
J. L. Graham & Co.	100.79
Dyment, Anderson & Co.	100.713
Matthews & Co.	100.039
Griffis, Fairclough & N.	99.55
Gairdner & Co.	99.172
A. E. Ames & Co.	98.63

Bond Tenders

Nov. 1—New Glasgow, N.S., $30,000 20-year debentures, carrying 4½ per cent coupon. M. Wadden, clerk and treas.

Nov. 14, County of Haldimand—$35,000, 4 or 4½ per cent, 10-year bonds. H. Arrell, county clerk, Caledonia.

3 p.m., Nov. 1, Carleton County—$20,475, 5 per cent, 10-instal. debentures. R. R. Washington, clerk and treas., Court House, Ottawa.

12 noon, Nov. 2, Temiskaming & Northern Ontario Railway Commission—$7,500,000, 3½ per cent, 20-year debentures, guaranteed by the Province of Ontario, dated Nov. 1, 1934, due Nov. 1, 1954. M. F. Hepburn, chm., Parliament Buildings, Toronto. (See announcement on page 10).

3 p.m., Nov. 1, Moncton School Commissioners, Board of School Trustees—$200,000, 4 per cent, 15 or 20-yrs. H. H. Trimble, sec.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew.	§5%	1942	Nov. 1	105
Northern Electric	5%	1939	Dec. 1	105
Riordon Pulp‡	6%	1942	Dec. 31	105
Metropolitan Bldg.*	7%	1944	Jan. 15	103½
Rio de Janeiro Trams, 1st mtge.	5%	1935	Jan. 1	...

§ Purchase of bonds for sinking fund.
‡ $74,600. * 27,000

Investment Notes

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
September	98.8	9.6	72.6	160.2	71.9	123.4	93.8	118.8	50.1	85.7
Weekly Figures, 1934:										
October 4	102.8	9.1	72.0	162.4	71.1	128.2	108.3	121.5	50.2	91.7
October 11	106.0	9.2	72.2	164.3	71.9	129.4	110.6	122.6	49.6	92.1
October 18	108.8	9.6	71.2	171.4	74.9	132.2	111.5	125.6	48.9	93.1
October 21	109.2	9.5	67.9	172.4	74.8	133.0	107.2	125.2	49.0	92.6

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 30	96.21	114.66	81.05
Oct. 29	95.73	114.99	81.27
Oct. 27	97.41	115.18	81.30
Oct. 26	97.60	114.98	81.27
Oct. 25	98.06	115.93	82.43
Oct. 24	99.90	117.56	83.08
Month ago	96.61	123.45	85.93
High, 1934	120.12	135.98	116.57
Low, 1934	86.85	100.90	81.05

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 30	60.9	54.6	56.7
Oct. 29	61.0	55.2	57.1
Oct. 27	60.8	55.6	57.3
Oct. 26	61.6	55.7	57.5
Oct. 25	61.7	56.2	58.1
Oct. 24	61.9	56.8	58.5
Month ago	61.8	54.1	56.7
High, 1934	72.0	65.2	67.4
Low, 1934	58.0	50.1	53.3

Bark Worse Than Bite

A MEMBER of The Financial Post staff recently in Washington was told by a highly placed government official that Wall Street was in his opinion unduly apprehensive of the New Federal Securities Act. Washington, he said, was more friendly to the legitimate business being done on Wall Street than Wall Street realized. In fact, the Washington bark was much worse than its bite. Teeth had been put in the new legislation but in his opinion the net result would be favorable to the business of all honest financial men.

Similar apprehensiveness has been seen in Canada over proposals that the Government should get into a position where it could regulate stock exchange and investment banking business strictly. What is feared is not so much the punitive powers of Government as the loss and anxiety that may be caused if laymen are placed in charge of important and intricate machinery. Like a novice at the wheel of a motor car, novice controllers may think they understand what they are directing better than they do.

* * *

"Hot" Oil Situation Dismays

WITH gasoline prices in the Eastern cities of the United States going daily to the slaughter house, sceptical eyes are now turning to the $1 a barrel price for crude oil posted under the Oil Code last year. If that price is to be maintained Federal Oil Controller Ickes must demonstrate absolute control of the "hot oil" situation in Texas. He expects to get such control by the tax now being applied, but, if not, control of excessive output will be sought by the age-old method of cut-throat competition.

As in Canada at times last summer, the major oil companies in the United States have adopted a policy of bringing the price of their branded gasolines to within half a cent a gallon of the price asked by small independents. With 1½ cents a gallon spread these could make a living but apparently the branded gasolines are preferred by motorists whenever prices get low. By thus closing out sales outlets to consumers for unbranded gasolines major companies do put the throttle on "hot oil" but at considerable expense to themselves. They will continue to follow that policy unless the Federal Government and Texas together can control the situation.

Canada is an interested spectator because the price of her gasoline in the ultimate analysis depends on what she pays for crude in the mid-Western States. Nothing reduces the cost of freight and taxes to Canada even if the crude were obtained free, but the fluctuations in crude nevertheless do mean a cent a gallon less on Canadian gasoline for every 35 cents a barrel drop.

BRONFMANS HOLD SEAGRAMS STOCK; PROFITS GAINING

Distillers Corp. American Business Reported Steadily Improving

Discounting the recent unfavorable action of shares of Distillers Corporation-Seagrams on the stock exchange, officials of the company have stated that sales in the United States have been increasing steadily. Profits are understood to be rising. The two American subsidiaries, Joseph E. Seagram & Sons, Inc., Lawrenceburg, Ind., and Maryland Distillery, Inc., Relay, Md., are reported to be producing a full capacity of 50,000 gallons of spirits daily.

Allan Bronfman, vice-president, is reported to have stated that the company is doing "extremely well." He and Samuel Bronfman, president, have not been disposing of any of their holdings in the company, The Financial Post is informed unofficially.

Higher Profits Seen

While the company's annual statement for the fiscal year which ended July 31 last will not be published for some time, it is expected that it will show a substantial increase in earnings. In the year ended July 31, 1933, the common stock earned only 35½ cents a share and paid nothing.

It has been estimated that the company will show earnings of $3 a share in the forthcoming report, and that profits in the current fiscal year will be even higher. This estimate is considered high in some quarters.

Shares Near $12

The price of the shares has dropped close to the $12 mark in active dealings. This is believed to be due partly to forced liquidation. It is also suggested that "street rumors" of an unfavorable nature brought stock into the market. It is noteworthy, however, that if the company only partly succeeded in attaining the high earnings that have been estimated, it could pay dividends to yield a good return on a price of $12 a share.

Better Tourist Season Noted by New Brunswick

From Our Own Correspondent

MONTREAL — Expectations are that tourist traffic to New Brunswick for 1934 will be appreciably ahead of that reported last year. At the end of August the volume of traffic was about 25 per cent greater than for the corresponding period of 1933.

Since the beginning of October, numbers of deer hunting parties have helped to swell the total and during the month beginning October 20, these numbers will be augmented by hunters in quest of moose. It is also expected that the partridge season, October 15 to 31, will attract a number of sportsmen.

Harris Abattoir Redeems All Bonds

Harris Abattoir Co. has called for redemption at 103 on January 1, 1935, the entire issue of its six per cent, first mortgage bonds. Interest accrues to January 1, but is to cease after that date. Bondholders will be paid in Canadian dollars in sterling in accordance with the trust deed.

The total amount of the issue outstanding was $3,242,900 at March 29, 1934, and tenders for $145,000 of bonds for the sinking fund were called on July 5, 1934. The original amount issued at par in 1927 was $4,000,000.

Hiram Walker Earns $4 Share In Fiscal Year

In releasing a preliminary article to the effect that net earnings of Hiram Walker-Gooderham & Worts for the year ended August 31, 1934, will exceed $4 a share on the common stock, officials state that this is after all write-offs for depreciation, Canadian and United States taxes and other charges, and preferred dividends. Last spring and again last summer, The Financial Post published estimates that earnings were high enough to justify the company in starting dividends in December on the basis of $4 a share. As the year included more than one quarter of prohibition in the United States, this proves to have been quite a close calculation as to earnings, even though other considerations may govern actual dividend declared.

The annual consolidated report will show an increase in fixed assets of $6,000,000, which will include its completion of the world's largest distillery at Peoria, Ill., the setting up of warehouses and selling and distributing organizations, and the increase in inventories in the United States. There will be a bank loan for the first time in many years, but this will be more than offset by increase in net accounts receivable and U.S. liquor taxes paid in advance. Increased reserves and surplus are a feature of the report. Large non-recurring expenses have been provided for.

Orange Crush Action Adjourned for a Week

Action against Orange Crush by A. R. Kaufman has been adjourned one week by the court.

Mr. Kaufman has taken action on behalf of himself and other shareholders of Honey Dew which is controlled by Orange Crush.

2 SUBSIDIARIES OF B. C. PACKERS TO BE ABSORBED

Fraser River Salmon Catch Biggest in Five Years

From Our Own Correspondent

VANCOUVER. — Three developments in the British Columbia salmon industry during the past week were regarded with satisfaction by the packers.

From the Fraser River came word of the biggest catch of salmon so far in five years, with the pack to date standing at 366,000 cases.

From Ottawa came news of the creation of a marketing board for dry salt salmon, which is expected to be an important factor in stimulating export sales.

In Vancouver, it was announced that B.C. Packers, chief operator in the salmon industry, had obtained permission to simplify its internal structure by absorbing two of its subsidiaries, a move that is expected to bring about further economies in operations.

Salmon Market

Generally speaking, the salmon market seems to be about the same as last year, but gradually the packers have been setting their house in order so that when the inevitable upturn comes they will be in a better position to deal with the situation than ever before.

H. R. MacMillan, president of B.C. Packers, says that the conditions affecting the world market for salmon are still too uncertain to warrant a definite forecast of the year's results. The sockeye pack has been larger than usual, but the high prices paid to fishermen have offset much of the gain that might otherwise accrue to the packers.

Simplify Structure

Mr. MacMillan points out that the winding up of the two subsidiaries, B.C. Fishing & Packing Co., and Gosse Packing Co., should not be regarded in the nature of a reorganization but as an internal readjustment. The structure of the company will be simplified as a result of the formal liquidation, he says.

Holders of debentures of Wallace Fisheries, Ltd., due Jan. 10, 1936, have agreed to a nine-year extension. Debentures of this company, which was merged with B.C. Packers some years ago, carry interest at 6 per cent, and are outstanding to the extent of $300,000. They are guaranteed by B.C. Packers. This concession relieves B.C. Packers of the obligation to meet a substantial payment at a time when to do so would impose a severe strain on the company.

Financial Position

While there has been considerable improvement in the company's showing during the last two years, the balance sheet as at February 28, 1934, showed current liabilities at $1,508,429, about $200,000 more than current assets. Extent of the improvement in a two-year period is indicated by the fact that at February 29, 1932, the excess of current liabilities over current assets was $392,805. Loss on operations in the year ended February 28, 1934, was $94,818, compared with $287,219 in the preceding year.

Winding up of the Gosse Packing Company and the B.C. Fishing & Packing Company, of which Wallace Fisheries had been a subsidiary, will result in vesting the properties directly in the name of B.C. Packers.

Marketing Board

The marketing board created at Ottawa under the new federal legislation will control dry salt herring, another important product of B.C. Fisheries, as well as salmon. Hugh Dalton, resourceful secretary of the B.C. division of the Canadian Manufacturers' Association, has been appointed to head this board. British Columbia had previously arranged for marketing boards under the same legislation to deal with tree fruits and shingles.

Associated Breweries Stock on "Big Board"

From Our Own Correspondent

MONTREAL — Capital stock of Associated Breweries of Canada has been transferred from the Montreal Curb Market to the Montreal Stock Exchange. The listing includes 10,697 shares of preferred stock of the par value of $100 each and 224,600 shares of no par value common stock.

Associated Breweries owns outright four leading brewery units in Alberta and Saskatchewan, namely, Regina Brewing Co., Prince Albert Breweries, Lethbridge Breweries and Edmonton Breweries. The company also has substantial investments in United States brewing companies.

Two of the American breweries in which the company has an interest report satisfactory profits for the first seven months of the current year. Century Brewing Association, of Seattle, reports net profits for the seven months period of $74,392, of which $22,945 was earned in July. The Olympia Brewing Co. had net profits for the seven months in excess of $100,000.

Stavert Made Executive by Consolidated Smelters

From Our Own Correspondent

MONTREAL — R. Ewart Stavert has been made assistant to the president of the Consolidated Mining & Smelting Co. of Canada, according to an official announcement issued by the company. Mr. Stavert, who will make his headquarters in Montreal, is president of British Metals Corp. (Canada), Stirling Mines, McVittie-Graham and Veraguas Mines.

Walker Elected Member Montreal Curb Market

From Our Own Correspondent

MONTREAL—Chandler R. Walker, partner of the firm King, Boug, Stodgell and Co., stock and bond brokers of Windsor, Ont., has been elected a member of the Montreal Curb Market.

Canadian Western Lumber Statement of Lumber Manufactured, Sales and Price Realized

August:	1933 Feet	1934 Feet	Decrease Feet
Lumber mftd.	9,277,800	9,003,000	274,800
Lumber sold	8,748,364	9,322,900	*574,536
Price realized	$133,994	$158,749	*$24,755
Aggre. mftd.†	74,711,957	71,669,291	3,042,666
Aggre. sold†	78,722,075	71,258,216	7,463,859
Price realized†	$982,007	$1,209,843	*$227,836

*Increase.
†From Jan. 1 to end of August.

Dividends, Bond Interest $49,018,195 In November

Change in Payment Dates on Dominion Loans Lowers Total Below November, 1933 — Only One Dividend Reduction

Bond interest and dividend payments in Canada during November will total $49,018,195, compared with $52,114,387 in the 1933 month, The Financial Post estimates.

Dividend payments will be higher this November than in the 1933 month, but the reduction in the total is due to a change in the date of payment of interest on Dominion Government bonds due to loan conversions. But for this, the November total would be higher than last year.

Three increases in dividend payments, one resumption, one initial payment and one decrease are on the record of payments declared for November. Macassa Mines paid its initial dividend of five cents on Nov. 1. Guelph Carpet repeated last year's payment on its common shares by disbursing 75 cents a share on Nov. 1. Steel Co. of Canada increased the common dividend from 30 to 43¾ cents a share quarterly with the Nov. 1 payment. St. Lawrence Flour raised the annual rate on its common shares from $1.50 to $2 with the payment of 50 cents a share on Nov. 1. Russell Motor Car increased the rate paid on its preferred shares to $5 per annum with a disbursement of $1.25 a share on Nov. 1.

Teck-Hughes Gold Mines has made the only reduction for the month with payment of only 10 cents a share Nov. 1, compared with the former dividend of 15 cents quarterly.

Comparative figures follow:

Summary of Payments

	1934 $	1933 $
Dividends	4,188,056	3,656,148
Bond interest	44,830,139	48,458,239
Total	49,018,195	52,114,387

DIVIDEND PAYMENTS

Company:	Rate	Date	Amount
Acme Gas & Oil	2c	15	40,314
Beatty Bros., pref.	1¾q	1	16,179
Belding-Corticelli, c.	1q	1	7,495
Blue Ribbon, pref.	50cq	1	14,925
Buffalo Ankerite, extra	3c	15	16,200
Calgary Power, pfd.	1¾q	1	90,000
Canada Iron, pfd.	$1.50s	15	58,167
Canda. Bronze	15cq	1	12,000
Do., pref.	$1.75q	1	12,600
Candn. Converters	50cq	15	8,667
Candn. Dredge, pref.	1¾q	1	1,459
Candn. Inv. Fund, spec. & ord.	3½c	1	8,470
Candn. Investors	10cq	1	10,000
Candn. Oil, c.	12½c	15	17,970
Champlain Oil, pfd.	15c	15	75,000
Chase, A. W., pref.	50cq	10	5,000
Coast Breweries	23cq	1	41,449
Dominion Bridge	50cq	15	256,975
Guelph Carpet	75c	1	26,250
Do., pref.	$1.62½q	1	11,93[illegible]
Hollinger Gold	5c	5	246,000
Do., extra	5c	5	246,000
Humberstone Shoe	50cq	1	10,000
Imperial Bank	$2.50q	1	175,000
Inter. Nickel, pref.	1¾q	1	483,486
Inter. Utilities, pref.	87½cq	1	18,027
Do., $3.50 pref.	43¾cq	1	47,616
Langley's, pref.	$1.75	15	9,970
Macassa Mines	*5c	1	131,399
Mtge. Corp. of N. S.	$1.75q	1	11,900
Neon Prod. of W. Can. pfd.	75cq	1	3,228
Paterson, Wm., pref.	$1.75q	1	1,086
Penmans,	75cq	15	48,388
Do., pref.	$1.75q	1	16,125
Quebec Power	25cq	15	138,300
Royalite Oil	75c	23	407,100
Russell Motor, pfd.	1¼q	1	15,000
St. Lawrence Flour	50cq	1	6,000
Do., pref.	$1.75	1	10,062
Second Std. Royalties pfd.	1cq	1	25,035
Shawinigan W. & Pr.	12cq	15	261,384
Sherbrooke, Trust	$1.50q	1	4,500
Simpsons, pref.	$1	1	112,500
Simpson, Robt., pfd.	$3s	1	100,500
Southern Can. Pwr. c.	20cq	15	80,000
Steel of Canada	43¾cq	1	201,250
Do., pref.	43¾cq	1	113,685
Teck-Hughes	10cq	1	480,714
Toburn Gold	2cq	22	37,000
Weston, pref.	1¾q	1	15,750
Total			$4,188,056

*—Initial.
q—Quarterly.
s—Semi-annually.

BOND INTEREST DUE IN NOVEMBER

Company:	Rate	Date	Due	Amount
B. C. Pulp, 1st mtge.	6	1	1950	$99,630
Belding-Corticelli	5	1	1936	2,545
Bell Tele., C	5	1	1960	187,500
Brant. Roofing, A.	6½	1	1950	19,012
Bruck Silk Mills	6½	1	1946	13,117
Calgary Brew.	5	1	1942	16,512
Canada Cement, A	5½	1	1947	502,232
Can. Nor. Pr., A	5	1	1953	419,462
Can. Nor. West. Rly.	4½	1	1943	62,997
Can. Copper Ref.	6	1	1945	71,910
Connors Bros.	6½	1	1938	4,062
Cosmos Imperial	6½	15	1944	25,987
Dredging Contract	6½	1	1947	16,250
Duke Price Pr. A	6	1	1966	1,066,275
East. Can. Coastal St.	6	15	1949	16,140
East. Dairies, A	6	1	1949	88,500
Econ. Inv. Tr., A	5	1	1957	23,987
Gen. St. Wares, A	6	1	1952	223,560
Granite Club	6½	1	1941	7,475
Gr. Lakes Power	6	1	Serial	50,340
Hinde & Dauch, A	5½	1	1948	34,237
Hydro-El. Bond, A	5	1	1957	72,075
Gr. Trunk Pac. 1st mtge.	4	1	1939	197,480
Do., Alta.	4	1	1939	48,600
Do., Alta.	4	1	1942	23,074
Kingston Elevator	6	1	1950	42,615
Mayor Bldg.	6½	1	1942	18,986
Do., gen. mtge.	7	1	1947	10,500
Mercury Mills, A	5½	1	1953	36,712
Montreal Cotton	5	1	1943	11,642
Mont. Is. Pr., A	5½	1	1957	254,375
Nat. L. & Pr., A	6	1	1949	59,370
Nor. Can. Pr.	6	1	1953	67,500
Nor. Ont. L. & Pr., A	6	1	1953	150,000
Paton Mfg.	6	1	1953	21,567
Penmans	5½	1	1951	50,393
Porto Rico Pr.	5	1	1936	41,137
Do., refund	5	1	1962	24,332
Do., debs.	6	1	1950	30,000
Provincial Pap., A	5½	1	1947	107,298
Queen's Hotel	6	1	1947	30,156
Randolph Hotel	6½	1	1947	7,150
Shawinigan, B	4½	1	1968	358,132
United Grain, B	5½	1	1949	17,915
United Secs., A	5½	1	1952	91,478
Do., B	5½	1	1952	40,933
Van. Island Trans.	7	1	1943	15,687
Wabasso Cot.	7	1	1942	16,590
Windsor Gas	5	1	1966	27,562
Corporation bonds				4,835,347
Municipal bonds				4,153,104
Provincial bonds				6,602,322
Dominion bonds				29,248,844
Total				$44,830,139

FORD OF CANADA PLANS FOR GAIN IN 1935 OUTPUT

Building $425,000 Electric Foundry and Modernizing All Plants

Because existing electric foundry facilities in Canada are unable to supply the requirements of Ford of Canada, the company will have completed early in March, 1935, a new $425,000 electric furnace foundry at the East Windsor plant of the company.

This comes from the decision to include in the Canadian car the new alloy steel crank shaft initiated by American Ford and proved by a year's service in American Ford cars and trucks. The new furnace will cast these crank shafts for the Ford V-8 car and trucks. Provision will be made to add two more furnaces as required. The capacity of the new plant will be 200 crank shafts per 8-hour shift and will employ 50 men in each shift.

Wallace R. Campbell, president, in making the announcement, has stated also that the company's confidence in a great increase of business activity during the next two years has led it to plan further plant modernization. The necessary capital outlay has already been authorized to enable the company to handle much greater business.

The new building will extend 225 feet along the Canadian National right of way and will be 120 feet deep. Three hundred tons of fabricated steel will be required in its construction. This building is planned, like all others, on the famous Ford conveyor system. There is a minimum of lost motion in the manufacturing process from the assembly of the materials to the final machining.

Technically, the alloy to be used in the new crank shaft is described as a high copper chrome silicon alloy steel. It is stated that the toughness of the new metal is such that there is no difference in hardness between the surface and the core of the shaft. Every shaft is tested for its capacity to withstand a huge load before release for engine assembly.

S. B. Playfair New Director Canad'n Wirebound Boxes

At a recent meeting of the directors of Canadian Wirebound Boxes Ltd., Stuart B. Playfair, of Toronto, was elected to the board.

Mr. Playfair succeeds Frank M. Ross, of Montreal, whose resignation was accepted.

SALES UP SHARPLY BY M. & O. PAPER CO. REDUCES NET LOSS

Small Operating Profit Reported for First Six Months

Substantial improvement in operations is reported for Minnesota & Ontario Paper Co. in a statement issued by the protective committee at Chicago for security holders. Net sales for the first half of 1934 were up to $4,919,808 as compared with $3,811,852 for the same period a year ago. While operating and other costs also advanced there was a small profit before depreciation and interest of $11,091 as compared with an operating deficit of $507,843 in the first six months of the previous year.

After depreciation and interest charges of $1,778,531, however, there was a net loss of $1,767,440 for the first half of 1934 as against a loss of $3,334,599 for the same period in 1933.

Six Months Ended July 31

	1934 $	1933 $
Net sales	4,919,808	3,811,853
Less oper. & other costs	4,908,717	4,319,695
Net oper. profit	11,091	*507,843
Less int. & deprec.	1,778,531	2,826,756
Net loss	1,767,440	3,334,599

*Loss.

Midland and Pacific Reduces Pref. Stock

Midland & Pacific Grain Corp. has announced a reduction in capitalization. There is no change in the 100,000 n.p.v. common shares but the 10,000 preferred of $100 par value of which 5,000 were issued, have been reduced to 1,000 of a par value of $100.

At July 31, 1933, there were 3,417 of the first preferred seven per cent, cumulative, shares outstanding but since then all but the present 1,000 outstanding have been redeemed. The gradual redemption of the preferred has been a consistent policy of the company since it was incorporated in 1928.

The company no longer makes public its balance sheet but for the fiscal year ended July 31, 1933, there was a net profit of $58,008 as compared with $195,455 the previous year. After dividends on both common and preferred there was a deficit of $18,550.

Canada Packers Score Bacon Win in England

Canada Packers with Wiltshire bacon carried off first prize against competition from the whole Empire at the recent London (England) Dairy Show.

The winning bacon was exactly similar to that sold under the Maple Leaf brand in Canada.

5 points keen buyers recognize in their choice of magazines

*1 TOTAL NET PAID
Average Net Paid first six months of 1934—210,396—as shown by the latest available publisher's statements.

*2 CIRCULATION "IN CANADA"
Largest Net Paid circulation "in Canada" first six months of 1934: averaging hundreds of copies per issue over the next largest.

3 BRITISH EMPIRE CIRCULATION
Largest Empire circulation of any Canadian magazine—unsolicited subscriptions of extra value in view of expanding Empire Trade.

4 MILLINE VALUE
Delivered page-per-thousand rate of $4.99—minimum milline rate of $7.13—the lowest of any monthly magazine published in Canada.

5 LINEAGE INCREASE
The largest lineage increase of any Canadian magazine in 1934:—eleven months gain of 49,397 lines, or 25.17%, over same months, 1933.

Chatelaine
A Magazine for Canadian Women
481 University Avenue, Toronto
Branch Offices:
Montreal, New York, Chicago

* These are average figures for the six months' period—not a peak issue.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Simcoe, Ont.	Oct. 30	David Gilbertson, Simcoe	4½%	20-ins.	$60,000	103,059	.....
Three Rivers, R. C. Schools Comm.	Oct.	L. G. Beaubien & Co.	5%	serial	175,000	.....	.....
Montmorency, Que.	Oct. 22	Dube, Leblond & Co.	5%	20-yr. ser.	45,000	.....	.....
Waterloo, Ont.	Oct. 22	Ontario Equitable Life	4½%	15&20 ins.	4,943	100	4½%
Dominion—							
Treasury Bills	Oct. 30	.....	....	3 mos.	$1,600,000	...	2.35
				6 mos.	18,400,000	...	2.47

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date	Offered By	Rate	Class	Amount	Price	Yield
Macjoe Sturgeon Gold Mines	Oct.	H. R. Bain & Co.	....	...	1,000,000 shs.	30c	.....

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS.

Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

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TORONTO, NOVEMBER 3, 1934

NEVER ANY EXCUSE FOR THIS CONTRACTORS' RACKET

WHEN the Ontario Government decided to purchase the unfinished Abitibi Canyon power Development of Ontario Power Service Corporation, it helped the bondholders but it saddled the taxpayers with an onerous and inexcusable burden. Said The Financial Post on July 30, 1932:

"The bondholders have reason to congratulate themselves . . . .

"The taxpayer in Ontario has not as much reason as the bondholder for self-congratulation . . . .

"In fact, the whole enterprise is difficult to justify on any grounds."

Now Justice Latchford and Justice Smith have reported on their investigation of the deal. They say exactly the same thing that The Post said over two years ago. Quoting the report:

"The price paid was based on consideration for the bondholders and not on value."

Most of the newspaper comments on the report have emphasized the Commissioners' references to the impropriety of ex-Premier Henry and Hydro Commissioner Arthur Meighen taking part in negotiations for the purchase of the property when they were holders of bonds that had dropped seriously in value.

In the opinion of The Financial Post, there is an even more important lesson in the transaction. The power development should never have been proceeded with—not for many years at least. It could not have been financed by private capital in the open market if it had not had the moral and financial backing of the Ontario Government. The moral backing came in the fact that it was ex-Premier G. Howard Ferguson who initiated the project, and who started it off with the most enthusiastic interviews on the prospects for the enterprise. The financial backing came in the form of a contract by the Ontario Hydro-Electric Power commission to take 85,000 h.p., increasing later to 100,000 h.p. The Ontario hydro system never had a market in sight for that much power.

The comment of The Financial Post in 1932 need not even be re-phrased to express the opinion The Post holds today:

"This whole project was premature and born out of too easy a regard for the public money.

"It was the same sort of thing that gave Canada three trans-continental railways, where two would have been too many. . . . It has become too much the fashion to think that railways or power undertakings can be built into the wilderness and that advancing civilization will do the rest."

Yet all the blame cannot be attached to Premier Ferguson for his excessive enthusiasm; to Premier Henry and to the Hydro Commission for their exceedingly inept negotiations for the purchase of the property.

What about the directors of Abitibi Power & Paper Co., who wrecked their fine old company by committing themselves to the completion of this enterprise?

What about the investment houses that underwrote and sold the bond issue?

What about the contractors whose part in the promotion of the enterprise has never been adequately examined?

The whole affair is a sorry mess, and the taxpayers of Ontario will pay for it for many years to come. It is another evidence of what happens when politicians, financiers and contractors work together to promote unsound enterprises with public backing.

It was, to use a phrase that we have had so often to use in dealing with affairs of this kind, "a contractors' racket."

If it was successful private promoters would have made a big profit; and if it was a failure, the public was bound to be saddled with it, because it was involved in politics from the start and only by unloading it on the taxpayers could the politicians and promoters be covered up.

BELATED EFFORT TO REVIVE PORTLAND'S GLORY

TIME was when Portland, Maine, was a great Canadian port. It was the eastern terminus of the Grand Trunk Railway and even after the Grand Trunk Railway became part of the Government-owned system, Portland continued for a while to be the outlet for a large part of Canadian exports. But such a situation could not be permitted to continue. The Canadian National Railway developed Halifax as its chief winter port, just as the C.P.R. had previously developed Saint John as its winter port on the Atlantic. Large sums of money were spent by the Dominion Government to modernize both Halifax and Saint John harbors. Gradually Portland lost out.

Now Portland has determined to fight back. Governor Brann, of Maine, has announced that he intends to appoint a commission to rehabilitate the port. The state and the city have been aroused from their complacency regarding the loss of traffic from Canada.

The Saint John Telegraph-Journal properly urges that Canadians should be on the alert to keep close watch on Portland's efforts to rehabilitate itself. Nevertheless ,the Telegraph-Journal says: "It is not likely that either this port or Halifax will lose anything to Portland in the present instance."

Portland is coming to life very late in the game. By means of freight rate adjustment, expenditures on harbor improvements, routing of shipments by manufacturers and railways, special Canadian port differentials on tariffs on British goods, etc., Canada has made clear that our policy is "Canadian goods through Canadian ports," and Portland is greatly handicapped in its effort to revive some of its former glory.

UNDERCOVER PROPAGANDA IS FATUOUS BUSINESS

ONTARIO Hydro-Electric Commission, it is now revealed, had spies out checking up on the activities of public utility propagandists in the United States.

But did the Ontario Hydro have to spend any money to learn of the existence of anti-public ownership propaganda paid for by public utility companies? Nearly everything there is to be known about such propaganda activities can be learned by reference to several fat volumes of evidence taken in Washington.

American public utility companies have set up expensive propaganda organizations that were so inept in their operations that they proved a boomerang when their activities in attempting to buy Congressmen, buy newspapers and bludgeon public opinion became known.

Socialist and Communist organizations set up similar propaganda bodies and they were just as dishonest and anti-social in propaganda activities for public ownership of power and light.

The Ontario Hydro itself cannot be taught any new tricks about propaganda. It knows them all; in fact, invented many of them From the days of Sir Adam Beck onward it has indulged in the same type of undercover work through press agents, "associations," political stool-pigeons, etc.

It has been a game of espionage and counter-espionage; of propaganda and counter-propaganda. The public pays for it in its taxes and its light bills whether it is a privately or a publicly owned institution that carries it on.

In it all there stands out the astonishing fact that many utility organizations—whether privately or publicly owned—that would not buy simple advertising space to tell the public their story candidly and over their own signatures, would spend many times the cost of advertising to influence public opinion in a dishonest and undercover manner. In this respect, many of the big United States utilities, some of the leading Quebec utilities and the Ontario Hydro are all in the same boat.

But such methods are out-of-date and thoroughly discredited. No matter how effective they may be for a while they always lose out in the end.

The public, taken by and large, is pretty sensible. If it is given all the facts frankly and fairly it will usually make the right decisions. There is no shred of excuse for any organization to attempt to mold public opinion through the dark and sinister medium of "propaganda" of an anti-social type.

ANOTHER WHITE RABBIT

MARK SULLIVAN, veteran Washington correspondent of the New York Herald Tribune, makes the pertinent remark that at the present time there is a race on "between the tortoise of business recovery and the white rabbit of panacea."

The latest white rabbit to be pulled out of the hat is no more absurd than technocracy, stamped currency and social credit. It is the so-called Townsend Plan. Over 1,000,000 signatures have already been put upon a petition in favor of this plan of "old age revolving pensions," and propaganda for it is sweeping the United States.

The principal features of the plan are:

The Federal Government will pay a pension to every man or woman more than 60 years of age of $200 a month.

To receive the pension they must agree to stop working and to spend the whole $200 within 30 days after receiving it, and within the United States.

The idea of the plan is to provide purchasing power and to remove the older people from jobs, so that there will be no more unemployment and no more depression.

No doubt not a dozen of the million people who signed the petition for the plan ever thought what would happen to values if an inflation on this scale were undertaken. No doubt not a dozen of them stopped to figure whether or not the 2 per cent tax on transactions, that is proposed to finance the payments, would do more to create unemployment than the pensions would do to create jobs.

The plan originated in California, which gives rise to the suspicion that it may be an absurdity designed to detract attention from Upton Sinclair's socialist programme. It already has its imitators and competitors.

The eagerness with which the American people accept absurd proposals to produce prosperity is exceeded only by the haste with which they discard them.

ALAS, THE POOR CONSUMER

IN QUEBEC, the Dairy Industry Commission is taking action against storekeepers who sold milk at below the minimum price fixed.

In the past, governments have often intervened to prevent exploitation of the consumer. Combines have been made illegal and it has been assumed that the consuming public was entitled to the benefit of the lowest prices at which anyone wished to sell any essential article of daily use.

Now governments intervene to protect producers, to set minimum prices.

Truly the consumer is the real forgotten man in today's social and economic planning. But the consumer will not remain the forgotten man for long. Much of his acquiescence in price-fixing schemes is the product of a period of declining prices. Prices have fallen so far that he has not realized that in some cases they might properly have fallen farther. Let prices start to rise again and the consumer will demonstrate once more than he is master.

INTERESTED IN CANADA

THIS announcement appeared in a Detroit newspaper the other day:

"Increasing interest in Canadian business development and expansion of its security and commodity markets is being demonstrated daily. The Canadian security exchanges are enjoying a tremendous upturn in business as the result of restrictions in this country. Additional exchanges are to be opened. News of developments in Canadian industry and business are becoming more prominent daily in financial news of the world. With this in mind The Detroit Times is expanding its Canadian financial service to include in these colums the latest developments in Canadian business, finance and markets."

The Detroit Stock Exchange has already made plans to list a number of Canadian gold stocks.

These moves are significant recognition of Canada's comparative stability throughout the depression.

PURPOSE OF EDUCATION

ANOTHER recruit for The Financial Post's persistent campaign against the made-in-but-discarded-by-Germany system of education that has been adopted in Ontario in particular and throughout Canada in general, is Dr. R. B Liddy, of the University of Western Ontario.

Addressing the members of the West Lambton Teachers' Association, Dr. Liddy said that too much time is wasted in schools because the curriculum is unsatisfactory. The teachers should bear in mind that education, he said, is not simply a process of gathering knowledge, but rather a method of teaching boys and girls to assume their positions in life. The attitude of the pupil toward life, emotional development and the cultivation of mental health should all be a part of the teaching. It was the tendency of the system to take facts as the means to the end rather than the interpretation of them to fit the pupil for life work.

EDITORIAL NOTES

American slum clearance plans are running into the same snag that created difficulty in slum clearance work abroad. It has been found that when buildings are razed to the ground, preparatory to putting up new buildings, the inhabitants move and create new slums elsewhere.

Post-Scripts

LAST week a leading American economist came to Canada. He gave a speech on the depression. He was at pains to compare the pattern traced by the business curve during this period of crisis with the pattern of the post-Napoleonic wars depression and that of the depression of the nineties.

There followed him to Canada a well-known European economist. He was asked if he thought that this depression marked the crossroads of our economic system. "A couple of years ago we thought that," he said. "Now we realize that this is a typical and particularly violent depression and nothing more."

Throughout the world the idea is gaining that this is a business depression consequent upon the war. We shall come through it and emerge to prosperity as the world has after every previous depression.

The emotional distresses of a period such as we have been passing through give rise to dark forebodings at times. Those who have lost without historical perspective are to be pardoned if they can see no way out. But always in a period of economic disturbance there have been those who could see no way out.

"Throughout the entire land there was depression . . . . of such severity as the world had not experienced before or is likely to witness in the future."

This is what the Mayor of Luebeck wrote about Germany in his diary covering the years 1603-1620.

"What may be before us in the progress of God's judgment . . . we need not now imagine . . . No political or financial foresight can as yet discover the end."

So preached a New Haven preacher during the depression of 1837.

"Thank God I shall be spared from seeing the consummation of the ruin that is gathering about us."

That is what the Duke of Wellington said on his death bed in 1851.

". . . The parting of the ways has come. Often before within living memory there have been times of depression and stagnation in trade, but never anything like that of the present time."

An English politician so spoke in 1884.

"The war has caused prodigious changes throughout the greater part of the world and it therefore becomes absolutely necessary to enter upon a careful but fearless revision of our whole commercial system."

Brougham the British statesman was speaking in 1817.

"We are living in a transition period. Men's hearts are failing them for fear of what the future may have in store for them."

This is an extract from an article in Blackwood's of 1885.

All of these gloomy phantoms have come back during this depression. Recovery will chase them away. The world changes; it is always changing. But this is no social or economic crossroads.

Sayings of the Week

"Governments can't fix things."—*Henry Ford.*

* * *

"Human beings always lack moderation."—*Andre Maurois.*

* * *

"The modern house is but a sardine-tin to a garden basket of old."—*Sir Edwin Lutyens.*

* * *

"More goods at lower prices, not fewer goods at higher prices, is the logical goal."—*Glenn Frank.*

* * *

"I am powerfully impelled to believe that we can afford no more major mistakes."—*E. W. Beatty, K.C.*

* * *

"Of all ruling classes, those in England have proved themselves the cleverest and the most flexible."—*Stalin.*

* * *

"Modern politics assumes that man is a helpless, inefficient fool with a pauper mentality."—*Sir Ernest Benn.*

* * *

"The Russians had a great idea. They divided everything up, but they didn't have anything to divide."—*Will Rogers.*

* * *

"I have seen more unreal theories nursed by hard-headed business men than by professors."—*James T. Shotwell.*

* * *

"America, to use a good old English word, needs more guts in facing the depression."—*B. G. Somerville, British M.P.*

* * *

"Managed opinion is as much a part of managed economy as managed currency or as managed agriculture."—*Herbert Hoover.*

* * *

"The spoils system of governing cities is definitely on the rocks. Those who would coin money under it had better hurry up."—*Prof. Charles E. Merriam.*

* * *

"Take away from a man the important role of being the family money-maker and you rob him of a stimulating source of necessary pride."—*Albert Payson Terhune.*

* * *

"The need henceforth is not to learn how to compete with each other for enough of this world's goods, but to learn how to live with each other in abundance."—*Henry A. Wallace.*

* * *

"Economic dictatorship is much more dangerous than people believe. Once authoritative control has been established it will not always be possible to limit it to the economic domain."—*Professor Gustav Cassel.*

* * *

"Europe retains its faith in the basic soundness of the American people and their institutions, believing in a vague sort of way that Providence especially protects children, drunken men and the United States."—*Thos. F. Woodlock.*

The World at Large

Battle of the Saar

Bitter International Discord Marks Plebiscite In Rich Coal Valley

By JOHN A. STEVENSON

The problem of the fate of the Saar Valley now looms large as the chief danger point in the European political situation.

Lying north of what is now the French province of Lorraine, its territorial area is small but, thanks to its rich coal mines, it is one of the busiest hives of industry in Europe and has a population of 828,000 souls.

At the Versailles Conference the French wanted to annex the Saar outright. The British and Americans, fearing that the incorporation in France of a region, whose inhabitants save for a small minority were of German blood, would leave a rankling sore, insisted upon a compromise solution. It was arranged that the Saar Valley should be placed under the administration of the League of Nations for a period of 15 years. Then the Saarlanders would decide their own ultimate destiny by a plebiscite. The coal mines, however, were turned over to France as compensation for the damage done to the coal mines of the Lens district in northern France during the German invasion.

Has Been Well Governed

The League Commission on which two Canadians, G. W. Stephens, of Montreal and R. D. Waugh, of Winnipeg, have served, has governed the Saar Valley with impartial efficiency and general satisfaction for 15 years. Under its rule there has been steady prosperity chiefly because there was a good and ample free market for coal, the chief local product, in the iron and steel plants of Lorraine. Now the plebiscite has been fixed for January 13th.

For months past the Saar has been the scene of a bitter campaign upon which the eyes of all Europe are fixed. Only people, who resided in the Saar on June 28th, 1919, are eligible to vote and they are given three alternative choices, reunion with Germany, the status quo or union with France. The last alternative can be ruled out, as the vast majority of the Saarlanders are German in blood, language and sympathies and undoubtedly, if the plebiscite had taken place before the advent of Hitler to power in Germany, there would have been an overwhelming majority in favor of reunion with Germany. Today the Saarlanders are still ardent Germans but the Socialist, Communist and Jewish elements, having noted the fate of their brethren in Germany, have developed an intelligible fear of putting their necks under "Nazi" rule and many Catholics, seeing the persecution, to which their church has been subjected in Germany, have become equally apprehensive. So there is now in the Saar a formidable party called the "Einheitsfront" which is fighting for the preservation of the status quo.

Pro-Hitler Party

Against, it is ranged the "Deutsche Front" composed of partisans of reunion with Germany. To the latter, the Hitler Government, which realizes that the defeat of the pro-German side would be a serious blow to its own prestige, has been lending every possible kind of help. Monster pro-German demonstrations addressed by prominent "Nazi" leaders have been held on the borders of the Saar, high-powered radio stations at Cologne and elsewhere are in action day and night telling the Saarlanders that they will be traitors and renegades if they vote against reunion with Germany. The Valley has been inundated with a flood of pamphlets and propaganda and the Deutsche Front has been supplied with generous funds to push its cause.

Its leaders, under "Nazi" inspiration, have freely resorted to tactics of intimidation and there have been violent disorders and clashes, involving several deaths. These have kept the Saar Commission, now headed by G. G. Knox, an able Australian, under a constant strain. Mr. Knox has reported to the League that his police force, being largely "Nazi" in its sympathies, was inadequate for the task imposed on it. The efforts of the League to strengthen his hands by the recruitment of a special force from German-speaking countries have been made or less frustrated by the refusal of Switzerland to permit recruiting for it in her territory. So the disorders have continued and are growing worse.

May Be Narrow Margin

The opinion of observers, who have recently visited the Saar, is that the plebiscite will still yield a majority for Germany but that the result is no longer quite certain and that the margin may be very narrow. Much will depend upon the large Catholic vote. Apparently the great majority of the local Catholic clergy are in favor of retaining the status quo.

Recently a well known Catholic priest appeared at a meeting organized under the joint auspices of the Socialists and Communists and, describing his visit to a Labor camp in Germany, said "Keep out of Germany, for Germany is hell because one loses hope there."

Most of the leading industrialists are pro-German but some of them fear that union with Germany will mean an end of the perfect and very profitable combination between the coal of the Saar and the rich iron ore deposits of Lorraine because, as a French deputy recently threatened, the French would at once raise an "iron tariff wall" against the Saar if it returned to the German fold. But to this argument the "Deutsche Front" leaders reply that Hitler will care for those who are faithful to him and if he cannot reach a commercial agreement with France to keep its old market for Saar coal, he will simply order German industries to buy it and lower railway rates to enable it to compete with coal from the Ruhr area.

French Are Worried

The French government is naturally very nervous about the situation. It has tried to help the anti-German party by suggesting in a memorandum to the League that if the status quo is now preserved, the Saarlanders should be free to bring about whatever political modifications they desire later on. But this same memorandum also raised other grave issues which will emerge if the vote goes in favor of reunion with Germany. By the Treaty of Versailles, Germany is obligated to buy back the Saar mines. The French insist that they will only be handed over for a cash payment which Germany will find it almost impossible to make. Replying to this demand, Baron Von Neurath, the German Foreign Minister, in an intransigeant speech threatened to repudiate this provision of the Peace Treaty and, if the "Nazis," on the strength of a majority in the plebiscite, were simply to assume possession of the Saar mines, the French would probably make their action a "casus belli" and send in their troops.

At present the Plebiscite Commission, which is to supervise the voting, is being bitterly criticized by the Deutsch Front and the Nazi Press for its efforts to purge the voting lists of fraudulent registrations which by some authorities are placed as high as 100,000 or nearly 20 per cent. Indeed the situation is so full of political gunpowder that a postponement of the plebiscite is being advocated in some quarters. But such a move would excite furious indignation in Germany and might well lead to a "Nazi" putsch with disastrous resulting complications.

As Others See Us

Causes of Crisis

A Letter to the Editor of the New York Sun

The Financial Post of Toronto, Canada, in its issue of October 20, 1934, contains an editorial article headed "Land Cannot Finance Social Revolution," and it proceeds to elaborate on the fact that "we have attempted to build up a structure of municipal services beyond the revenue possibilities of municipal taxation."

That the real cause of most of our economic troubles is at last dawning upon the darkened minds of statesmen in some parts of the world is a hopeful sign, and I trust you will call attention to it in your columns.

Middle of the Road

Brockville Recorder-Times

The Financial Post declares that the most remarkable feature of the trend of current social and economic thought in Canada is the swing away from radicalism, which is most marked in the western provinces.

Representatives of radical parties proposing schemes for the reconstruction of society upon a new basis have not fared very well in recent election contests. In fact, many of them have emerged from the contests with loss of their deposits. It has been clearly demonstrated that the great bulk of the people have little confidence in different revolutionizing programmes that have been laid down for the direction of their affairs. They seem to be preferring the old-time political parties, which promise only slight modification of the present system.

"Stop Me If You Have Heard This One"

An old lady, who could not see eye to eye with the taxi driver on the question of fare, finally remarked: "Don't you try to tell me anything, my good man. I haven't been riding in taxis for five years for nothing."

"No," replied the driver, "but I bet you had a blarsted good try."

Other People's Views

A Plan to End Planning?

New York Times

Professor Tugwell has at last turned up at Rome, accompanied by Dr. Henry C. Taylor. For the American Government they are to submit a plan to the International Institute of Agriculture on Monday. Their memorandum, the cables say, involves nothing less than a proposal for a "planned world economy in agriculture." It is "designed to induce nations to grow or make almost exclusively the products they can grow or make best and cheapest and import from other countries the products those other countries make or grow best or cheapest."

No more reasonable plan could be proposed. To be sure, it may encounter some slight opposition, owing to the fact that each nation already has its own agricultural plan, intended in nearly every case to achieve precisely the opposite end.

By what strange irony does it happen that our planners' world plan turns out to be but a plan to undo all the chaos, confusion and overproduction brought about by existing national plans? Through what baffling paradox do the objectives of this great world co-ordinating scheme come to be indistinguishable from those of free trade and laissez-faire? Or has the Rome reporter made a grave mistake?

Tax Exemption Proposals

Building in Canada, Toronto

While there is a difference of opinion prevailing in the building industry as to the merits of the suggestion of Attorney-General Roebuck that buildings erected and completed in Ontario during 1935 be exempt from taxation "for the next three or five years" there seems to be little doubt but that those unfavorable to the proposal are in the majority. The Home Builders' Association at their September regular meeting passed by a large majority a resolution declaring their opposition to "any further tax exemption on buildings already occupied or that may be erected in the future," the majority of the members apparently feeling that exemption from taxation of homes and buildings erected in 1935 would prove detrimental to the sale of new homes now under construction and which would be ready for the market later in the year or early next year.

Many home owners in the older sections of the city feel that the tax exemption of the new 1935 models would throw an increased burden on them and other property owners who have "borne the heat and burden" of the depression, paying their taxes and keeping their homes in repair all during the past four trying years. And there is much to be said for this viewpoint.

Galvanized Sheet Output Down

Production of galvanized sheets during the third quarter of the year amounted to 10,516 tons as compared with 13,311 tons in the previous quarter and 13,096 tons in the third quarter of 1933.

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The Week in Business

Industrial Activity

PRELIMINARY reports for October indicate that industrial activity was better maintained during the month than had been anticipated earlier. Both the heavy iron and steel and automobile industries operated at a higher rate than expected. Feature expansion was provided by the radio industry which showed a marked revival during the second half of this year. Activity was continued in the food manufacturing industries, canning factories reporting overtime work in some districts.

An early spell of cold weather is credited with creating good demand for men's winter clothing. According to Dun & Bradstreet's, men's and women's clothing, dry goods, hardware, jewellery, radios and sporting goods were in strong demand last week. Wholesalers report excellent volume of orders of seasonal merchandise for immediate delivery.

* * *

Canned Apple Exports Grow

THE preference obtained by Canada at the Ottawa conference for canned apples in the British market has generally been overlooked in discussions on the results of this treaty owing to the small trade involved and the fact that canned apples are not shown as a separate trade item in the monthly trade reports of the Dominion. In 1933, however, export of this commodity had increased to over 100,000 cases from 50,000 cases in 1932 and 30,000 cases in 1931. While the total is still comparatively small the market for this product in the United Kingdom is said to be expanding rapidly.

Canned apples sent to the British markets are made up in one gallon cans and distributed through the regular wholesale trade channels chiefly to restaurants, hotels and caterers. Chief use for canned apples is in pie-making.

* * *

U. S. A.'s Latest—The N.H.A.

MANUFACTURERS and distributors of plumbing supplies and allied lines in Canada are reported as being enthusiastic over one section of the United States National Housing Act. One of the chief exponents of the plan was recently in Canada and explained to a group of manufacturers just what this act was doing to promote sales of like companies in the United States.

Briefly, under the first section of the National Housing Act—known as the N.H.A., of course—householders are advanced sums of money at low interest rates for modernization. These loans are being made through private loan and finance companies and the banks. Success of the scheme is made somewhat more certain by a government guarantee of 20 p.c. of amount of loan, this coverage being said to be sufficient to take care of losses which the financing companies might incur.

That the manufacturers and distributors are enthusiastic cannot be classed as "news." Obviously they are obtaining spot cash for their supplies and have no worries whether the aftermath is good or bad. But the question may be asked: "Why should the government enter the picture as a guarantor?" If, as is stated, "revenue-producing possibilities of properties can be increased in proportion to the expenditure," then there is no more than a fair commercial risk in a loan for such a purpose, a risk which any loaning institution should take without any guarantee from a government source. In Canada, banks cannot loan against real estate, of course.

Canadians not associated with the hardware, building or plumbing trades, are inclined to consider the N.H.A. with the memory of 57 similar schemes to spend the public's money, which have emanated from Washington, none of which can be claimed as a success.

New Market Board Sets Tobacco Price For Flue-Cured

When buying starts on Nov. 6 in the Ontario flue-cured tobacco belt, a very different picture will be presented from that of the past few years.

Probably the most important change, as far as the growers are concerned, will be the knowledge that an average price of 24.77 cents must be maintained by the buyers, this figure being set last week after a four day conference between growers, manufacturers and packers.

Further, under the Federal Marketing Act, a board, composed of representatives of these three factions, will bring more orderly marketing and act as a court of appeal in any dispute between producer and purchaser.

Estimates of this year's flue-cured crop in Western Ontario now range as high as 23,000,000 lbs. and, with domestic consumption limited to 15 million pounds, there is some fear that the surplus will prove a drag on the market. Prof. Leitch, chairman of the newly-created board, stated recently that the reduction of 25 per cent in acreage which was agreed upon this year by growers has not proved sufficient to reduce production to manageable levels and that a further reduction in acreage would probably be necessary next year.

In addition to this reduction in acreage, licenses may be issued to growers allocating them certain poundage based on this year's crop, any balance above this poundage to be marketed after licensed tobacco has been disposed of.

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Business Conditions in Canada

MINES AND WOODS GIVE EMPLOYMENT TO MANY WORKERS

Account for Gain in Total Employment at Oct. 1

Increased staffs of mining and logging concerns and a smaller gain in the number of persons employed in trade were chiefly responsible for the improvement in employment noted at October 1 as compared with the previous month. A small seasonal improvement was reported in manufacturing, food, textile, electric power and apparatus industries being more active.

The uncorrected index of the Dominion Bureau of Statistics for all industries stood at 100.0 at Oct. 1 as compared with 98.8 at the beginning of September and 90.4 at Oct. 1 a year ago. The same index, corrected for seasonal variation, was 96.2 as against 94.6 a month ago, the increase on this basis being greater owing to the fact that the usual seasonal trend between September and October is slightly downward.

Many Loggers Employed

The unusually pronounced expansion in bush operations was the outstanding feature of the October 1 survey of employment. Among the co-operating firms, work was provided for 7,600 persons. As the proportion that these firms hold to the total engaged in lumbering is not known, there is no indication of the total increase in staffs of logging firms throughout the Dominion, however.

Mining showed the greatest Oct. 1 gain on record, while transportation, building construction and trade also reported considerable improvement over the previous month. A slight advance occurred in manufacturing, being the ninth consecutive gain since the beginning of the year. After seasonal adjustment, however, manufacturing only maintained the position attained last month.

Among the declines noted, those in communications, highway and railway construction and hotels and restaurants were most marked. In every case, however, the staff reductions were of a seasonal nature.

Only in British Columbia, among economic areas, was a decrease reported, the decline in this case being moderate. Largest advances took place in Ontario and the Prairie Provinces. In Ontario, employment declined only in iron and steel factories, transportation, highway construction and services, while in the prairies, services alone reported seasonal slackness.

Reports from the leading cities were not so favorable as those for economic areas, the trend of employment being upward in only Montreal, Toronto and Winnipeg. Review of employment by cities appears elsewhere in this issue.

EMPLOYMENT IN CHIEF CITIES

Montreal — Manufacturing, shipping and trade accounted for a slight gain, more than offsetting declines in construction and in certain manufacturing industries, particularly leather, iron and steel and non-metallic minerals. Larger advances were noted a year ago and the index was then fractionally higher.

Quebec—Seasonal losses in services and slackness in shipping and manufacturing accounted for a slight aggregate loss. The index was slightly lower than at Oct. 1, 1933.

Toronto — Continued expansion was led by manufacturing and trade. In manufacturing, textile, vegetable food, electrical apparatus, iron and steel, pulp and paper and leather led. Transportation and services were slacker.

Ottawa — Losses in construction accounted for a slight decline. Manufacturing and trade were busier. A slight increase was noted at Oct. 1, 1933, but the index was then several points lower.

Hamilton — Moderate falling-off accounted for by reduction in manufacturing. Other industries showed only minor changes. A much larger reduction was reported last year and the index was then lower.

Windsor—Release of employees by the automobile and allied trades accounted for a loss in Windsor and adjacent border cities.

Winnipeg—Further increases noted, chiefly in manufacturing, building and trade. No change was noted a year ago and the index was then 4.3 points lower.

Vancouver — First curtailment since Jan. 1 resulted from releases by communication and transportation companies. Little general change noted in other industries.

Further Revival Recorded In Western Economic Areas

Recession Shown in Eastern Provinces By The Financial Post Regional Indices — Lack of Construction Chief Cause

By SYDNEY B. SMITH

Further revival was shown in September in the two western economic areas as measured by The Financial Post business indexes, while business activity declined in Ontario, Quebec, and the Maritimes.

Large gains in construction contracts and building permits and smaller increases in electric output and employment accounted for the gain in British Columbia. General factors accounted for the improvement in the Prairies index as wheat receipts were below normal; electric power output, industrial employment and bank debits were higher while the decline in wheat prices was smaller than the usual seasonal reaction.

Construction Quiet in East

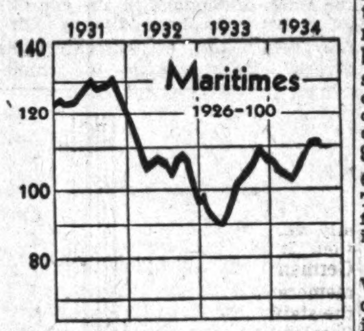
Quietness in construction had much to do with the lowering of the indexes for Ontario and Quebec. In addition, industrial operations in the automobile and iron and steel industries were reduced in Ontario and newsprint production was lower in Quebec.

The index for the Maritimes was almost maintained at the August level, a decline in construction and electric output being almost balanced by a seasonal gain in employment and higher imports.

Detailed Survey

Detailed survey by areas follows:

Maritimes.—The index for the Maritime Provinces was nearly maintained at 110.4 in September compared with 111.2 in the preceding month. New business obtained by the construction industry was at a much lower level than in August. The decline in electric output was greater than normal for

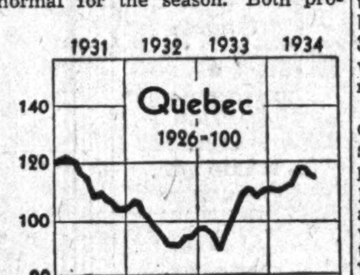


the season. The gain in the index of employment was a reassuring feature at the first of October, the adjusted gain being about 2.5 p.c. The standing of the seasonally adjusted index was 99.3 compared with 97.1.

Financial factors fared badly in September with appreciable declines in bank debits and sales of life insurance. The seasonally adjusted total of imports through Maritime ports was a strong factor, the index moving up from 61.6 to 65.2, a gain of 6 p.c. Exports were practically maintained, the increase being nearly equivalent to the expected seasonal variation. The tonnage of shipping cleared from Halifax and Saint John was a bright spot, there being a gain contrary to seasonal tendencies, with the index moving up from 101.4 to 134.6.

Second Decline For Quebec

Quebec.—The index for Quebec has shown recession for two months after having reached a high level in June and July. The index in September was 114.4 compared with 116.8 in the preceding month. The decline in the amount of new business obtained by the construction industry was greater than normal for the season. Both pro-

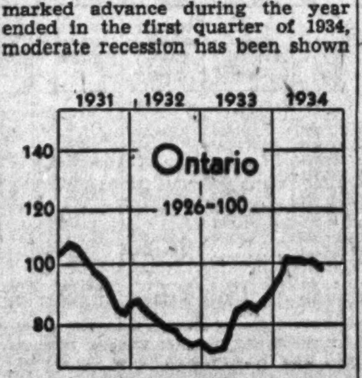


duction and consumption of electric energy reached lower levels in September than in August. The average daily output was 28,408,000 kw.h. compared with 28,818,000, the resulting index being 222.3 compared with 229.5.

The gain in employment was less than normal for the season. A better showing was made in financial factors, bank debits showing an adjusted gain of 3.5 p.c. A gain was also recorded in sales of life insurance, all the more noteworthy as it was contrary to seasonal expectations. The total was $8,610,000 compared with $8,100,000, the index showing an increase of 11.8 p.c. The activity in the boot and shoe industry was accelerated in the latest month for which statistics are available, the index moving up from 80.6 to 105.3. Imports of raw cotton for further manufacture were at a higher level, after seasonal adjustment. The index of newsprint production receded from 136.5 to 129.2.

Major Industries Quieter

Ontario. — After achieving a marked advance during the year ended in the first quarter of 1934, moderate recession has been shown



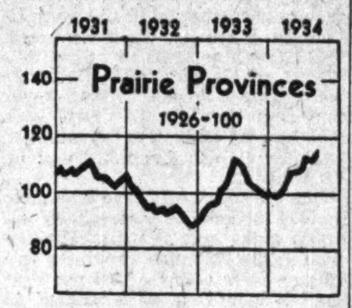
in Ontario. The index for the area receded from 99.5 in August to 98.7 in the month under review.

The placing of construction contracts was at a lower level in September. A moderate gain was shown in the output of electric energy, the production being 15,766,000 kw.h. compared with 15,238,000. The adjusted gain in employment during the month was one half point in the index. Bank debits increased less than normal for the season. The index of life insurance sales was up from 81.6 to 83.5.

The indexes indicating the trend in three prominent industries of Ontario were at a lower level in September. Livestock slaughterings, steel production and the operations of the automobile industry showed decline from the preceding month.

Wheat Receipts Lower

Prairie Provinces.—The index of business activity in the Prairie provinces reached a new high



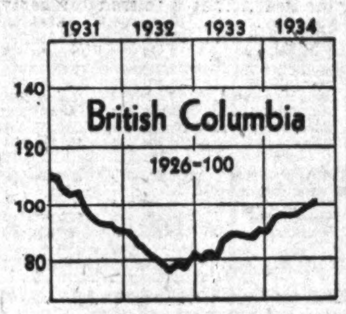
point on the recovery in September. The index moved up from 111.3 in August to 115.6 in the month under review.

The index was raised by general factors, as wheat receipts at country elevators did not gain nearly as much as normal for the season based on the experience of the last seven years. The adjusted index of construction awards gained five per cent, while building permits were off. Electric power output was up 9 p.c. and the index of industrial employment showed a gain of 5 p.c. The index of bank debits moved up from 120.7 to 127.8 and sales of life insurance were nearly maintained.

Wheat receipts at country elevators were 55,585,000 bushels compared with 30,776,000 but the increase was less than normal for the season. The decline in wheat prices was more than explained by seasonal causes, the index showing a gain of 3.5 p.c.

B. C. Revival Continued

British Columbia.—The revival in British Columbia since the last quarter of 1932 has been of a



restrained but persistent character. The index in September was 101.2 compared with 100.7 in the preceding month.

Contract awards in British Columbia were $4,520,000 in September compared with $465,000, the contract for the New Westminster bridge being included in the month under review. Seasonally adjusted building permits showed a gain of 30 p.c. The gain in electric output was 3 p.c. and the index of employment moved up from 89.9 to 90.3.

Financial factors including bank debits and life insurance sales showed decline in September. Exports through British Columbia ports were up more than 1 p.c. after seasonal adjustment. Declines were shown in imports and in the tonnage of vessels clearing from Vancouver.

Commodity Prices

THERE was scarcely a bright spot in commodity markets in North America during the past week, the only advance—that in cotton futures—being quickly offset by a subsequent decline. Trading on all markets was quiet.

Winnipeg declined steadily last week, except on one day, and the downward move was continued on Monday. Uncertainty as to the action to be taken by the government in respect of regulation of trading, resulted in a lack of interest in the market.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$5.00	$5.25	$4.80
Copper, lb.	.09	.09	.0825
Cotton, lb.	.1250	.1250	.0975
Rubber, lb.	.1387	.1387	.0771
Sugar, raw, lb.	.0280	.0289	.0320
Silk, lb.	1.22½	1.20	1.60
Wheat (Man.) bu.	.75⅝	.77⅛	.62
Coffee, lb.	.09¼	.09⅝	.07¼
Hogs	8.95	8.65	6.15
Weekly Indices			
N. Y. Annalist	115.6	116.7	105.6
Fishers'	78.8	79.0	†83.6
N. Y. Journal of Comm.	75.6	76.7	70.6
Crumps (Brit.)	63.8	64.0	†63.4
U. S. Labor	76.6	77.2	71.3
Canada (D.B.S.)	71.4	71.5	...

† Average, 1933.

Monthly Indices	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (Sept.)	79.0	78.7	78.5
W'sale (Sept.)	72.0	72.3	68.9
U. S. Labor (Aug.)	76.4	74.8	69.5
Gt. Brit. (Aug.)	71.2	69.8	69.2

Note: Indices on all base 1926 — 100, except N. Y. Annalist which is 1913 — 100, British index is Board of Trade converted to 1926 base.

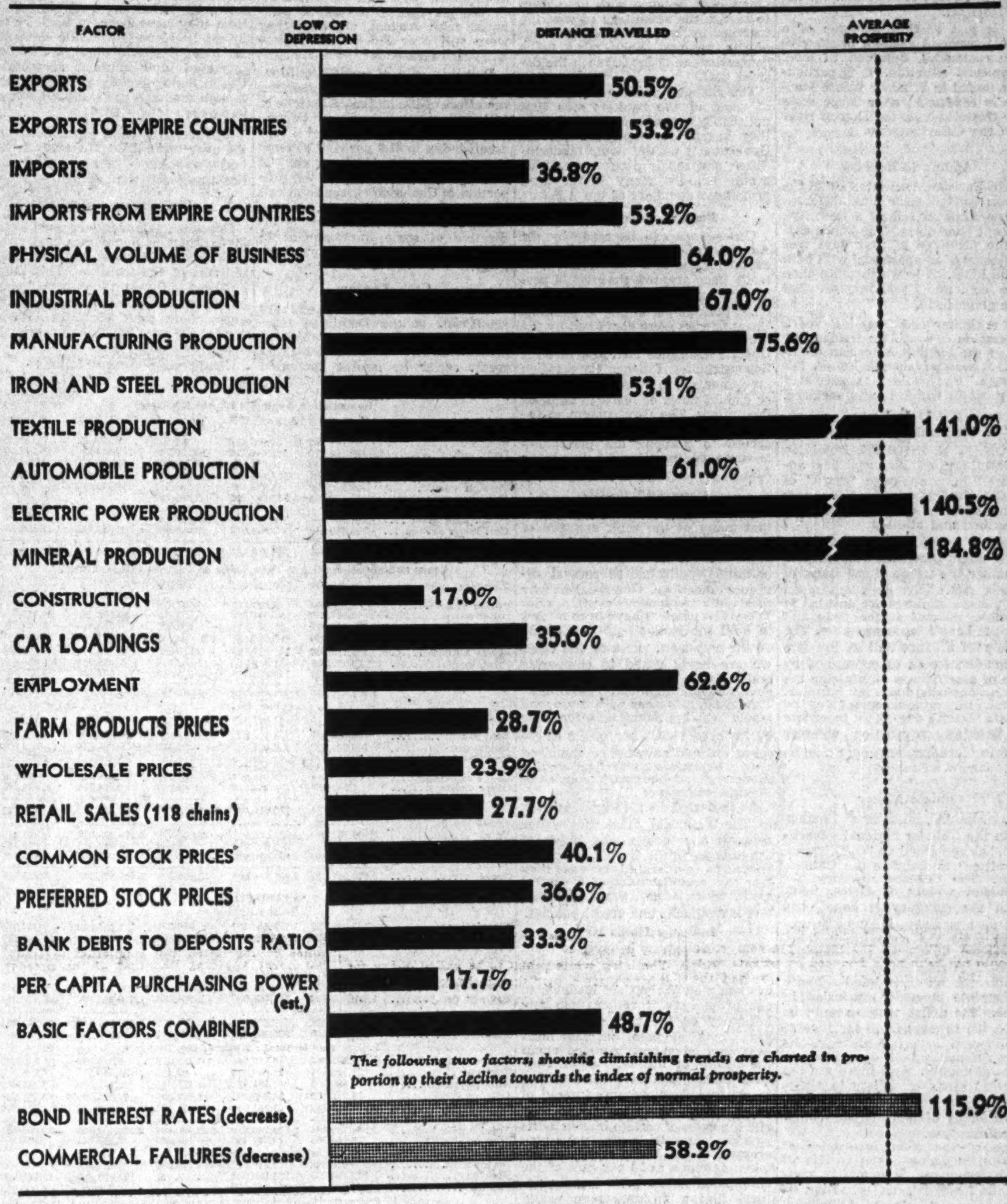
Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers; coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

RESEARCH DEPARTMENT — J. J. GIBBONS LIMITED, ADVERTISING AGENTS

CANADA'S PROGRESS TOWARDS PROSPERITY

SEPTEMBER, 1934

1. The object of this chart is to portray the distance travelled by each factor from the low of the depression towards a point of average prosperity.
2. The line representing the low of the depression is determined by the lowest index figure recorded for each factor within the first four months of 1933 (when the depression reached its lowest ebb) ratioed against the index of average prosperity.
3. The dotted line of average prosperity is determined by taking an average of monthly indices for each factor for the four years 1926-1929.
4. The distance travelled towards average prosperity, as shown by the black bar-lines, is determined by:
   (a) taking the average of the monthly indices for each factor for six months ending August 31st, 1934, ratioed against the index of average prosperity, and
   (b) by calculating the ratio of that index to the difference between the index of the low of depression and the index representing average prosperity.



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J. J. Gibbons Limited will be glad to mail copies of this chart to anyone interested. Requests should be addressed to J. J. Gibbons Limited, 159 Bay Street, Toronto, Ontario.

TORONTO MONTREAL WINNIPEG LONDON, Eng
GIBBONS KNOWS CANADA
REGINA CALGARY EDMONTON VANCOUVER

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Bauer and Black, Ltd., manufacturers of surgical dressings, has leased a section of the former Dominion Motors plant at Leaside, Toronto, and will manufacture there for the Canadian market. Preliminary to this expansion the company absorbed the Lewis Manufacturing Co. of Canada.

Canadian Food Products, a new company, will shortly commence manufacturing in Calgary, according to the Calgary Herald. The company will manufacture chocolates, jams and fountain syrups, employing about 15 hands.

Ford Motor Co. of Canada has invited tenders for a new electric furnace foundry at East Windsor, estimated cost being $425,000. Capacity of the plant will be 200 crankshafts each eight-hour shift and it will employ upwards of 50 men each shift.

Hobart Mfg. Co., Toronto, has leased a new plant with a 50 per cent larger space than the one at present occupied. The concern manufacturers bakers' and butchers' supplies.

Clinton, Ont., expects soon to have two new industries, an egg plant and a chemical factory, according to the Clinton News-Record. Particulars are given as follows:

F. W. Andrews Egg Corp. plan establishment of a plant with capacity of 60,000 laying hens and 150,000 broilers. Capital is being obtained in New York, it is stated.

Louis Perlow, of New York, is stated to be considering establishment of a plant to manufacture salt, soda ash, caustic soda, etc., an option having been obtained on 50 acres of land near the town.

La Salle Stone Co. has recently been incorporated under Quebec laws to take over the Quebec business of the Ritchie Cut Stone Co. Quarries have been acquired at Marc des Carrieres, P.Q.

International Paints (Canada) Ltd., is making an addition to its plant at a cost of $35,000. The addition will be used for warehousing and shipping purposes, according to Industrial Canada.

Metals and Alloys, Ltd., will manufacture non-ferrous alloys in Toronto, according to Industrial Canada. S. R. Francis is president and general manager.

Mundet Cork and Insulation, Ltd., Toronto, has awarded the general contract for construction of a $20,000 addition to its factory.

Schindler Co. of Canada Ltd., recently purchased the buildings which it leased two years ago. The company manufactures gut and silk strings for tennis rackets and musical instruments.

Silverwood's Ltd., plans a milk distribution plant at London when the milk evaporating plant now being erected is completed, according to the London Free Press. Cost of the new building will be around $50,000 and will be used in retail distribution of milk.

Walker Salt Corp. plans opening a plant at Port Franks, near London, Ont. Salt will be taken from a brine well and capacity of 30 tons a day is expected, according to the London Advertiser. C. J. Craven Walker is president.

RICHIE CUT STONE CO. HAS QUE. SUBSIDIARY

Will Handle Interests of Parent Company in Old Province

Ritchie Cut Stone Co. has incorporated a subsidiary known as the La Salle Stone Co. which has taken over all Quebec interests of the parent company. The new subsidiary has acquired quarries at St. Marc des Carrieres, P.Q., and will specialize in Deschambault limestone, in addition to its usual business in Queenstone limestone, Credit Valley sandstone, Wellington limestone, etc.

The Ville La Salle plant is equipped to handle contracts of any size.

Louis Saint-Denis is manager of the new company, George W. Ritchie is president, C. L. Colwell is in charge of estimating and drafting and C. G. Porter is special sales representative.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest — 1934	1933	Cumulative Total — Jan. 1 to date — 1934	1933
Transportation—				
Car loadings (Oct. 20)	▲56,873	51,705	1,860,579	1,606,628
C.P.R. gross earn. (Oct. 21)	$ ▲2,966,000	$ 2,718,000	$ 99,235,000	$ 88,442,000
C.N.R. gross earn. (Oct. 21)	$ ▲3,617,952	$ 3,581,882	$ 131,996,078	$ 113,792,556
Business Conditions—				
Weekly index D.B.S. (Oct. 20)	▲96.6	86.2	......	......
Business failures (No.) (Oct. 20)	▲23	24	1,152	1,768
MONTHLY DATA				
Business Conditions—				
Financial Post index (Sept.)*	▲98.9	90.8	......	......
Transportation—				
C.P.R. net earnings (Sept.)	$ ▲3,033,580	$ 3,003,328	$ 13,670,107	$ 9,971,451
C.N.R. net revenue (Sept.)	$ ▲2,010,244	$ 2,058,358	$ 7,142,505	$ 907,373
Iron and Steel (September)—				
Pig iron production (tons)	43,019	30,738	279,090	133,870
Steel ingot prod. (tons)	57,489	38,630	585,162	266,829
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (September)	▲3,017	2,722	56,237	36,173
Factory output (August)	9,904	6,079	103,102	50,881
Trucks and Buses:				
Domestic sales* (September)	▲923	719	9,790	4,775
Factory output (August)	2,579	1,160	20,236	7,761
Exports (August)	4,971	1,919	36,477	12,596
Construction—				
Building permits (September)	$ 2,247,784	$ 1,986,903	$ 19,024,000	$ 16,394,014
Contracts awarded (Sept.)	$ 12,494,000	$ 8,386,000	$ 96,145,100	$ 63,430,700
Newsprint (tons)—				
Production (September)	196,172	179,416	1,882,207	1,448,352
Exports (August)	183,829	165,880	1,537,127	
Sugar (lbs.)—				
Melting & shipments§	▲87,892,557	76,857,854	601,084,210	572,578,024
Manufactured§	▲86,934,062	87,616,868	587,062,267	573,374,868
Flour (bbls.)—				
Production (August)	1,282,214	1,443,692	8,955,632	9,008,996
Wheat flour exports (Sept.)	369,320	852,556	3,723,048	4,090,271
Trade (September)—				
Imports	$ 42,207,602	$ 38,698,416	$ 377,249,292	$ 281,064,416
Exports	$ 58,135,136	$ 57,784,804	$ 459,164,136	$ 359,947,804
Wheat exports (bush.)	17,588,359	19,086,351	$ 109,999,305	$ 128,061,430
Employment (Sept. 1) D.B.S. Index—				
All industries	94.6	88.5	......	......
Manufacturing	91.9	86.8	......	......
Electric Power Output (September)—				
Total monthly (000's omitted)	▲1,627,289	1,489,322	15,278,820	12,323,146
Aver. daily	▲54,243,000	49,644,000	......	......
Other industrial indices—				
Lumbering:				
Plank & board exports mill (September)	123,163	112,039	1,023,953	613,855
Boot & shoe prod., pr. (Aug.)	1,886,183	2,237,179	12,516,146	13,035,938
Crude petrol. imp. gal. (Sept.)	▲118,210,821	108,097,228	792,997,113	695,947,117
Cotton imports, lbs. (Aug.)	8,535,000	10,884,000	86,439,000	61,140,000
Raw rubber imp., lbs. (Sept.)	▲6,205,577	5,868,375	46,991,664	38,639,451
Coal imports, tons (Sept.)	▲1,593,859	1,464,060	9,803,038	7,934,798
Finance—				
Bank debits† (September)	$ ▲2,880,851	$ 2,457,108	$ 23,224,418	$ 21,828,717
Bond sales (September)	$ 17,068,600	$ 777,099	$ 325,832,573	$ 299,292,551
Life insurance sales (Sept.)	$ 26,123,000	$ 27,443,000	$ 274,818,000	$ 282,392,000
Automobile Financing—				
Used cars (September)	$ ▲1,040,121	$ 764,400	$ 11,150,533	$ 8,491,244
New cars (September)	$ ▲1,352,349	$ 836,969	$ 14,383,683	$ 8,573,464

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to October 6. *Final. 1,140,419

Bank Chat on Current Topics

Special Service

WITH the Canadian dollar at a premium, bank branches in Windsor have inaugurated a new and useful service to customers dealing in large amounts of American money. Accounts are being opened in Windsor payable in American currency. These accounts, of course, are segregated from balances payable in Canadian currency.

The Windsor branches do not undertake to redeem deposits in American currency, but will issue American drafts to customers against the balances.

It is just another example of a special service Canadian banks give their customers, designed to meet an unusual situation. It is particularly useful in Windsor where business is conducted on a large scale with Detroit across the Detroit river from the Canadian city.

Adding to Interest

THE Parisian Associated Hotel Co. has started something different in premiums in selling a new five per cent bond issue. The bonds carry the privilege of four days free occupancy of an apartment with bath in the hotel. It is worth more than some common stock bonuses that were given in 1929.

In a similar class was last year's declaration of a whisky dividend by one of the leading American distillers. It was payable in liquor, not in cash. Shareholders appreciated the spirit in which it was declared.

* * *

Incarnating a Bank

HON. E. N. RHODES, Dominion Minister of Finance, has announced in a one-page "extra" of the Canada Gazette that the shares of the Bank of Canada have been subscribed and allotted.

The notice is published so that the shareholders become a body corporate under the terms of the Bank of Canada Act. This does not mean that the shareholders are entitled to assemble without further ado and start the bank's business career. The Minister of Finance will set the date of commencement of operations by issue of a certificate authorizing the bank to open its doors for business.

What the announcement in the Canada Gazette does is to incarnate the banking corporation whereas hitherto there has been only a legislative shadow of a bank.

* * *

Chinese Money

H. H. KUNG, Minister of Finance in the Chinese national government, has appointed an "equalization committee" to stabilize the Chinese dollar. The Chinese currency has fluctuated widely as silver, upon which the currency is based, has gone up and down, but mostly up.

Just what the committee's functions are to be has not yet been disclosed. But they appear to have a sizeable job on their hands. There is complete currency confusion in China. The dollar which should be worth 100 coppers is, in fact, worth 350 coppers in some districts. Its value fluctuates from day to day in terms of copper. And there are ten different kinds of dollars in circulation. There are also some 170 different kinds of taels (silver coins) in ordinary use.

One of the chief intricacies of banking in China is the variety of internal moneys. To simplify matters for foreign trade, exchange on China is quoted in terms of Shanghai taels.

Bank of Montreal announces the following staff changes:

N. G. RUNIANS, formerly assistant manager at Mexico City, to be an assistant manager at Vancouver, B.C.

T. W. TOD, formerly of the superintendent's department, Winnipeg, Man., to be manager at Bissett, Man.

Weekly Bank Clearings

	Oct. 25 1934 $	Change year ago %	Oct. 18 1934 $
Halifax	2,235,628	+14.8	2,458,310
Saint John	1,821,770	+19.0	2,074,818
Moncton	829,380	+16.6	777,002
Sherbrooke	487,066	—5.7	518,575
Quebec	3,637,899	+6.1	4,301,716
Montreal	93,004,892	+20.7	106,790,024
Ottawa	4,584,701	+9.5	5,358,980
Kingston	538,314	+19.3	567,336
Peterborough	553,852	+4.2	640,136
Toronto	122,957,707	+12.2	133,785,007
Hamilton	3,876,574	+7.2	5,353,336
Kitchener	1,133,720	+40.5	1,038,213
Brantford	737,511	—14.0	858,391
London	2,666,196	+1.2	3,718,239
Chatham	412,450	—3.5	415,036
Windsor	1,876,352	—2.5	2,125,693
Sarnia	407,202	+23.6	436,136
Sudbury	704,124	+18.5	792,007
Fort William	660,382	+18.9	834,996
Winnipeg	50,494,226	—9.7	64,196,933
Brandon	321,196	+5.0	362,302
Regina	5,238,653	+27.0	5,648,687
Moose Jaw	528,364	+13.9	650,993
Saskatoon	1,656,497	+25.5	1,819,760
Prince Albert	312,925	+27.1	379,892
Edmonton	3,605,908	+18.4	4,170,440
Calgary	6,091,753	+14.9	7,462,455
Medicine Hat	269,540	+43.8	296,903
Lethbridge	473,653	+42.4	543,403
N. W'minster	441,370	+8.2	472,609
Vancouver	14,570,073	+5.2	17,301,103
Victoria	1,322,301	+0.9	1,667,029

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Capital (fully paid) £ 3,780,192
Reserve Fund £ 3,780,926
Deposits £59,257,330

General Manager
William Whyte

TRADE WITH GREAT BRITAIN

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Current Events in Banking World

NO UNANIMITY BY U. S. BANKERS SAYS OBSERVER

Wall Street View of A. B. A. Convention Stresses Pros and Cons

By DR. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance, New York University

NEW YORK. — While developments at the American Bankers Association convention resulted in a truce between the Administration and the bankers, this was brought about only because both now seem to realize the advantage of working together instead of following antagonistic policies. Each must make concessions in order to reach the desired goal.

The changed attitude on the part of some of the bankers was first noticeable several months ago when they began to co-operate with the Government on the home modernization and repair programme. This group included many of the most prominent members of the A.B.A.

Possible Concessions

Concessions can be made by the Administration by refraining from exercising powers, which have already been granted, that would permit virtual dictation of credit and other policies pertaining to banking. These powers were conferred by the Banking Act of 1933, the Federal Deposit Insurance Act, and through Reconstruction Finance Corporation investments in preferred stock or capital notes or loans to banking institutions. The Government at the request of the banks has already agreed to pospone the permanent features of the Deposit Insurance Act.

Many Still Hostile

However, it should be made clear that many of the rank and file of the A.B.A. have not smoked the pipe of peace with Washington. This was definitely indicated at several divisional meetings. One speaker, who received a tremendous ovation, said: "Very few chances have been missed to hold the bankers up to ridicule on the one hand, while on the other we are being asked to co-operate and assist in the support of all the government's financial operations." This group disagrees with those who would win the Administration over by honeyed words and offers of co-operation, and have not relinquished strong objections to various credits, monetary and budgetary policies of President Roosevelt.

As indicated in a recent dispatch to The Financial Post, this writer believes one reason why many of the bankers in the United States are willing to co-operate is because they fear the establishment of a central bank, which would practically dictate investments and credit policies.

Industry Holds Key

Many economists believe the main difficulty regarding the credit situation at the present time is the hesitancy on the part of business to ask or use credit rather than any hesitancy on the part of banks to grant it. They point out that business men have been worried about the future of business under New Deal policies and have been waiting to observe developments instead of going ahead. As illustrations they cite the cases of certain industrialists who presented their usual loan programme to the banks and have not taken as much as 20 per cent of the anticipated amounts. It is only natural that a business man would hesitate to expand when he has no idea what the dollar he will borrow and will earn will be worth, and no assurance that the rewards of enterprise will not be taken from him in the form of taxation.

Wall Street View

Wall Street hoped for statements on such vital matters as the possibility of balancing the budget, easing the tax burden, stability of the currency, N.R.A., A.A.A., and social insurance, but the President had nothing to say on these vital problems. No amount of rhetoric about teamwork, and "All-American" team can obscure the fact that American business is concerned about these problems.

Wall Street is now divided into two groups, one believing that commercial loans will be expanded radically in the orthodox way, while the other is equally convinced that the United States is headed for dangerous inflation.

Unstable Features

President Roosevelt referred to "steadiness of prices" in his address and said that this has been in his mind constantly. Unfortunately, it is difficult to understand what he refers to. To date controlling prices have been attempted mainly by manipulation of the dollar and managed currency, and as long as such policies are pursued unstable prices will prevail.

The Federal Government is directly competing with commercial banks for some type of credits, through the Farm Credit Administration, Home Loan Bank system, and Reconstruction Finance Corporation, among others. Permanent credit agencies have been set up which are in continuous unfair competition. The Government says it has been compelled to follow this policy because the banks would not or could not do so. But in the long run it seems clear that the banks should not have to compete with such institutions, backed by Government funds. Many a bank in the U.S. has been literally starving to death because of its inability to find more profitable use for idle funds.

It should be noted that the President did not commit himself to change any part of his programme. Perhaps he refrained from so doing on the grounds of political expediency, but not until there is definite action of a "turn to the right" will there be grounds for real optimism. It is probable that the demands of the bankers as to monetary soundness and budgetary matters will not be met by Washington because to do so would necessitate a reversal of its entire policy in this regard. The budgetary deficit will continue for the present and will probably be made up by increasing the debt. Short term Government issues will continue to be acquired by the banks but long term obligations will run into much sales resistance, as has already been indicated by past experience in connection with the sale of such issues.

Cash, Current Loans Higher In September Bank Return

Dominion's Expansive Currency Policy Demonstrated in Increased Cash and Investments — Deposits Gain With Loans

Two major changes in the combined position of the ten Canadian commercial banks are revealed in the statement for Sept. 30, as compiled by The Financial Post from the bank's returns. Quick assets were up $35,800,766 over the August total and $75,102,958 over the figure at Sept. 30, 1933. And current loans in Canada gained $26,406,522 compared with August, although they were still over $10 millions below last year's figure.

Despite a gain of over $34 millions in Canadian deposits in September, the effect of the increased volume of call and current loans in Canada was to raise The Financial Post's credit index to 51.6 per cent at Sept. 30, compared with 51.0 per cent at Aug. 31. This percentage is the proportion of Canadian current and call loans to deposits in Canada, and the upward move in September is indicative of some improvement in demand for commercial demand for loans.

Cash Position

The change in quick assets are significant of the Dominion Government's monetary policy which, at present, is directed toward making credit easier by issuing increased quantities of Dominion currency. This is reflected in an increase of $6,355,743 in cash for the combined banks, despite a drop of $2,847,000 in Finance Act advances, which would tend to reduce note holdings. The increase in note holdings over Sept. 30, 1933, was $30,582,003. The effect of the gain in cash, of course, is to make the banks even more anxious than they have been to lend, or to invest in securities. While demand for loans has been small, the banks increased their holdings of securities in September by $19,054,012, although the total was $1,670,304 below last year's total figure.

The trend of bank investments in the year to Sept. 30 was away from corporation and municipal securities into government securities.

Deposits up Sharply

Deposits in Canada increased over $34 millions in September, and current account deposits had over $24 millions of the increase. This may be allied to the gain in current loans in Canada. Deposits abroad were down more than $7 millions, but were still over $25 millions higher than a year ago.

Comparative figures follow:

ASSETS

Immediately Available Liquid Resources	Sept., 1934 $	August, 1934 $	Change $	Sept., 1933 $	Change $
Specie	49,014,602	48,904,500	+110,102	48,886,963	+127,639
Dom. notes	157,796,270	151,440,527	+6,355,743	127,214,267	+30,582,003
Gold reserve	21,981,732	20,831,732	+1,150,000	20,681,732	+1,300,000
Foreign banks	93,187,507	107,449,673	—14,262,166	85,386,023	+7,801,484
Foreign curr.	20,130,708	19,746,165	+384,543	19,172,422	+958,286
Govt. secs., short term	365,528,953	358,602,190	+6,926,763	663,157,371 (short and long term)	+47,736,246
Do., long term	345,364,664	319,234,749	+26,129,915		
Call loans abroad	112,619,515	103,613,649	+9,005,866	126,022,215	+13,402,700
	1,165,623,951	1,129,823,185	+35,800,766	1,090,520,993	+75,102,958
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	90,676,709	90,359,751	+316,958	162,141,482 (municipal and public)	—26,101,880
Public secs.†	45,362,893	48,820,371	—3,457,478		
Other secs.	40,966,418	44,901,801	—3,935,383	55,690,262	—14,723,844
Can. call loans	101,449,577	99,564,627	+1,884,950	110,030,403	—8,580,826
Current loans	879,761,929	853,355,407	+26,406,522	904,822,716	—25,060,787
Loans abroad	136,216,846	140,027,735	—3,810,889	146,908,111	—10,691,265
Prov. loans	19,070,900	31,352,714	—12,281,814	17,234,456	+1,836,444
Mun. loans	111,132,533	114,983,939	—3 851,406	108,497,738	+2,634,795
	1,424,637,805	1,423,366,345	+1,271,460	1,505,325,168	—80,687,363
Other Assets					
Non-curr. loans	14,146,890	14,083,140	+63,750	14,277,970	—131,080
Real estate	8,165,329	8,158,873	+6,456	8,002,391	+162,938
Mortgages	5,801,131	5,832,296	—31,165	6,266,010	—464,879
Premises	78,053,722	78,208,066	—154,344	78,680,072	—626,350
Lets. of credit	55,218,879	53,390,295	+1,828,584	47,971,795	+7,247,084
Loans to comp.	13,343,916	13,195,079	+148,837	13,245,903	+98,013
Other assets	1,742,467	1,751,735	—9,268	1,548,376	+194,091
	176,472,334	174,619,482	+1,852,852	169,992,517	+6,479,817
Total	2,766,734,090	2,727,809,012	+38,925,078	2,765,838,678	+895,412
Note circ. dep.	6,704,182	6,697,620	+6,562	6,493,975	+210,207
Int. bank bal.	96,903,086	103,828,224	—6,925,138	94,093,986	+2,809,100
Gross	2,870,341,358	2,838,334,856	+32,006,502	2,866,426,639	+3,914,719

LIABILITIES

To the Public	Sept., 1934 $	August, 1934 $	Change $	Sept., 1933 $	Change $
Circulation	148,239,227	139,646,482	+8,592,745	141,055,653	+7,183,574
Dom. Govt.	33,691,639	37,305,439	—3,613,800	72,031,216	—38,339,577
Prov. Govt.	37,039,757	35,395,619	+1,644,138	27,474,878	+9,564,879
Govt. advances	37,697,000	40,544,000	—2,847,000	40,744,000	—3,047,000
Deposits by Public					
Demand dep.	523,211,845	498,665,447	+24,546,398	491,783,798	+31,428,047
Savings dep.	1,376,959,756	1,367,194,902	+9,764,854	1,372,184,120	+4,775,636
Total	1,900,171,601	1,865,860,349	+34,311,252	1,863,967,918	+36,203,683
Foreign dep.	322,313,009	329,494,143	—7,181,134	296,878,318	+25,434,691
Due to Banks Abroad, Etc.					
United Kingdom	5,995,544	5,712,926	+282,618	4,845,696	+1,149,848
Foreign	21,585,417	21,649,575	—64,158	30,446,515	—8,861,098
Bills payable	896,908	1,384,921	—488,013	2,164,532	—1,267,624
Lets. of credit	55,218,879	53,390,295	+1,828,584	47,971,795	+7,247,084
Other liabs.	1,913,183	1,881,961	+31,222	2,157,582	—244,399
Total public liab.	2,564,762,164	2,532,265,710	+32,496,454	2,529,738,103	+35,024,061
Due bet banks	12,166,383	12,267,768	—101,385	12,205,531	—39,148
Liability to Shareholders					
Dividends	630,866	2,410,850	—1,779,984	643,818	—12,952
Reserve	132,750,000	132,750,000	....	162,000,000	—29,250,000
Capital	145,500,000	145,500,000	....	144,500,000	+1,000,000
Gross	2,855,809,413	2,825,194,328	+30,615,085	2,849,087,452	+6,721,961
Credit index*	51.6%	51.0%	+0.6%	54.4%	—2.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.
†Other than Canadian.

BANK DEBITS FOR SEPTEMBER SHOW 5% GAIN

Increase Nearly 7 Per Cent in First Nine Months

Cheques charged against individual bank accounts in the 32 clearing centres of Canada amounted to $2,581,000,000 in September, compared with $2,457,000,000 in the same month last year, and $2,533,000,000 in August, according to the Dominion Bureau of Statistics. This represents a gain of five per cent in comparison with September, 1933, and a loss of 2.7 per cent in comparison with August, 1934, after seasonal correction.

Compared with September, 1933, the month's cheque transactions showed advances in Ontario, of 12.3 per cent, the Prairie Provinces, of 3.3 per cent, and in the Maritimes, of six per cent. Declines were recorded in Quebec and British Columbia of 2.7 and 1.9 per cent respectively.

Cheques cashed in the first nine months of 1934 showed a gain of nearly seven per cent over the same period of last year. The total was $23,324,000,000 compared with $21,829,000,000 in the first nine months of 1933. Each of the economic areas except the Prairie Provinces showed a gain in this comparison. The increase in the Maritime Provinces was nearly 12 per cent, each of the three centres participating in the advance. The gain in Quebec was 8.8 per cent. The increase in Ontario was $1,165,000,000 or 12.5 per cent. Debits in the Prairie Provinces were 7.2 per cent less than in the first nine months of 1933. The cumulative total for British Columbia was up 8.1 per cent.

Quebec and the Prairie Provinces showed in September seasonally adjusted gains over August. The decline in the Maritime Provinces was 5.8 per cent. Gains of 3.2 per cent and 3.4 per cent were shown in Montreal and the Province of Quebec, respectively. The adjusted decline in Ontario was 2.9 per cent. The comparison was favorable in the Prairie Provinces, which showed a gain of six per cent. The decline in British Columbia, after seasonal adjustment, was 11.7 per cent.

Bank Debits to Individual Accounts

Clearing Centres:	September, 1934 $	September, 1933 $
Maritimes:		
Halifax	23,282,239	21,712,911
Moncton	6,960,478	6,831,340
Saint John	14,218,569	13,461,548
Total—Maritimes	44,461,286	42,005,799
Quebec—		
Montreal	654,438,042	674,849,406
Quebec	45,649,845	44,133,817
Sherbrooke	5,085,075	5,556,351
Total—Quebec	705,172,962	724,539,574
Ontario—		
Brantford	6,346,431	6,583,010
Chatham	6,440,253	5,340,680
Fort William	4,038,601	3,365,927
Hamilton	41,226,271	43,312,349
Kingston	4,462,568	4,420,372
Kitchener	7,999,161	7,251,764
London	25,050,930	22,616,475
Ottawa	132,462,553	80,824,436
Peterborough	4,080,436	3,712,982
Sarnia	5,984,558	9,236,112
Sudbury	3,981,837	3,575,198
Toronto	874,120,711	802,768,978
Windsor	15,251,069	14,243,134
Total—Ontario	1,131,445,379	1,007,251,417
Prairies—		
Brandon	2,119,576	2,290,317
Calgary	48,887,956	47,341,606
Edmonton	27,200,363	27,160,849
Lethbridge	4,244,253	3,646,775
Medicine Hat	2,340,687	2,039,815
Moose Jaw	4,451,857	4,139,362
Prince Albert	1,667,819	1,501,222
Regina	59,338,122	43,017,960
Saskatoon	9,766,965	8,385,531
Winnipeg	416,784,780	418,661,655
Total—Prairies	576,802,378	558,185,092
British Columbia—		
N. W'minster	3,767,790	4,199,409
Vancouver	99,430,955	100,275,149
Victoria	19,769,639	20,651,404
Total—B. C.	122,968,384	125,125,962
Total for Canada	2,580,850,389	2,457,107,844

3-Mark Coins Not "Legal"

According to a decree of the German Minister of Finance dated July 6, 1934, the Reichs silver coins of 3-mark denomination, and of 3-reichsmark denomination, ceased to be legal tender on Oct. 1, 1934. They will be exchanged for legal tender until December 31, 1934.

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SHAREHOLDERS BANK OF CANADA TO MEET JAN. 23

J. A. C. Osborne, Bank of England Secretary, Lent as Deputy Governor

J. A. C. Osborne, secretary of the Bank of England, has been appointed deputy governor of the Bank of Canada for five years from Dec. 1, 1934.

Mr. Osborne may return to England before his five years expire, "if he can conveniently be released," according to the announcement of Hon. E. N. Rhodes, Dominion Minister of Finance, regarding the appointment. "We are indebted to Governor Montagu Norman and the court of directors of the Bank of England for making available his services," Mr. Rhodes stated.

A French-Canadian will shortly be appointed assistant deputy governor, according to Mr. Rhodes.

Shareholders Meet Jan. 23

First meeting of shareholders of the Bank of Canada will be held at Ottawa on Jan. 23, the date having been set by the provisional board of directors of which W. C. Clark, Deputy Minister of Finance is chairman. A board of directors will be elected at the meeting.

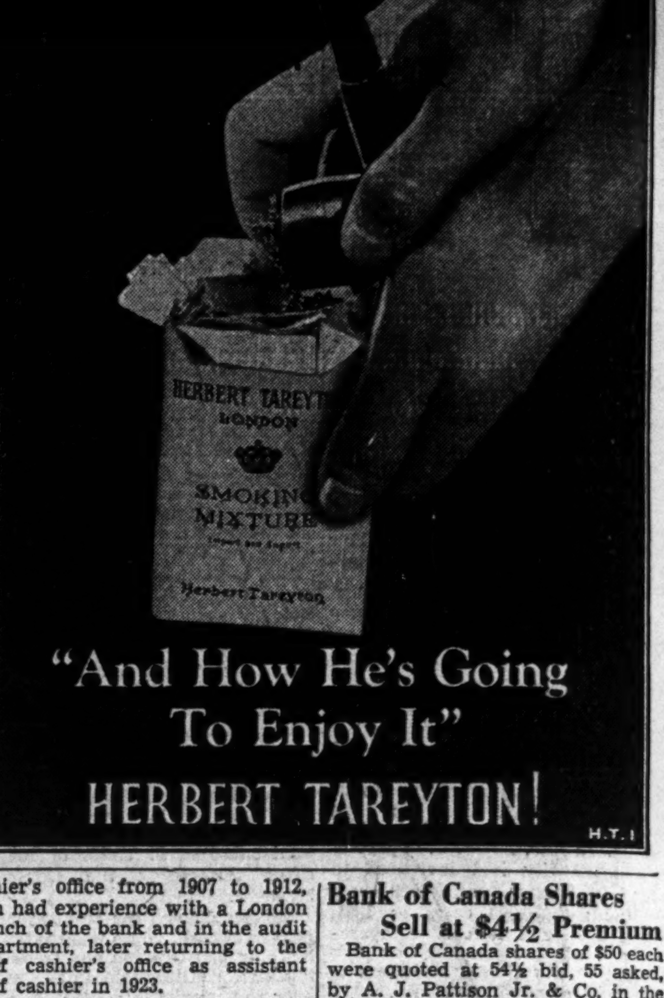
Nomination papers are being sent to all shareholders, and these must be returned not later than Dec. 5. With these a letter is going forward explaining the procedure governing the nominations, while a list of all the shareholders is being placed in the hands of each one in order to facilitate selection.

Seven directors will take office after the January meeting. Two of these will represent primary industries, two commerce and manufacturing, and the remainder will be drawn from other vocations. The provisional directors will serve without remuneration until they are replaced by the group elected by the shareholders.

Osborne's Career

John Arundel Caulfield Osborne, the newly appointed deputy governor of the bank, is 52. He entered the Bank of England at the age of 20, so that he has been 32 years with the "Old Lady of Threadneedle Street." He served in the chief cashier's office from 1907 to 1912, then had experience with a London branch of the bank and in the audit department, later returning to the chief cashier's office as assistant chief cashier in 1923.

On June 1, 1934, he was appointed secretary of the bank. Before taking over this position he organized the overseas and foreign departments as well as the statistical department. He has also had European experience in connection with the stabilization of credits, organization of the Bank for International Settlements and other important financial matters.



Bank of Canada Shares Sell at $4½ Premium

Bank of Canada shares of $50 each were quoted at 54½ bid, 55 asked, by A. J. Pattison Jr. & Co. in the over-the-counter market early this week. This gives subscribers to the shares a profit of at least $4½ a share.

Dealings in the shares which have been carried on for about a week, are reported to be in small volume. Trading is on a cash basis, as for shares of other banks, it being illegal for banks to lend money on their shares.

1832 1934

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The BANK of NOVA SCOTIA

OVER A CENTURY OF BANKING SERVICE

34-16

Position of Chartered Banks of Canada as of September 29, 1934, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Balance Due to Dominion Government $	Balances Due to Provincial Governments $	Advances under Finance Act $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding
Montreal	36,738,862	22,546,042	8,005,372	9,000,000	135,861,430	380,493,413	60,689,644	1,761,097	1,293,900	2,866,799	193,494	6,387,239
Nova Scotia	13,016,289	406,122	1,176,843	3,214,000	36,989,421	130,818,025	34,311,254	2,788,131	136,179	1,410,517	334,405	6,318,196
Toronto	6,985,014	136,115	733,374	1,500,000	20,845,623	64,946,806	....	541,442	199,749	898,747	....	723,868
Provinciale	4,188,943	195,230	47,789	2,600,000	4,479,266	32,487,067	....	512	....	41,052	....	57,083
Commerce	27,754,796	4,978,748	6,973,442	7,000,000	113,050,156	279,924,096	50,427,293	1,385,697	633,615	5,259,719	41,148	19,768,456
Royal	35,030,878	4,262,650	12,972,973	9,000,000	141,476,506	267,121,684	172,149,244	1,124,042	424,176	8,818,910	294,101	18,921,895
Dominion	7,143,118	195,201	1,630,964	1,956,000	25,461,088	60,444,390	3,592,516	1,826,380	67,264	360,317	....	1,947,393
Nationale	7,802,954	377,358	1,348,823	1,753,000	18,179,254	79,538,584	1,143,058	1,108,316	21,004	128,873	....	625,092
Imperial	9,234,488	526,035	4,150,177	1,590,000	24,476,889	77,193,606	....	1,311,521	700,020	725,462	....	417,758
Barclays (Canada)	343,885	68,138	....	84,000	2,392,212	3,992,085	....	319,245	2,519,637	1,075,021	33,760	51,899
Total	148,239,227	33,691,639	37,039,757	37,697,000	523,211,845	1,376,959,756	322,313,009	12,166,383	5,995,544	21,585,417	896,908	55,218,879

NAME OF BANK	Other Liabilities	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorized $	Capital Subscribed $	% Last dividend %	*Loans to Directors and firms of which they are partners $	Average gold and Coin Held $	Average Dominion Notes Held $	Greatest amount of notes in Circ. $
Montreal	1,303,720	21,117	38,000,000	36,000,000	741,162,134	50,000,000	36,000,000	8	982,434	15,117,060	60,737,485	37,457,860
Nova Scotia	153,376	362,360	24,000,000	12,000,000	267,433,131	15,000,000	12,000,000	12	2,891,381	8,638,160	11,141,158	13,016,289
Toronto	87,517	2,478	9,000,000	6,000,000	112,600,738	10,000,000	6,000,000	10	1,112,173	399,100	3,096,200	6,985,014
Provinciale	2,362	6,180	1,000,000	4,000,000	49,105,487	5,000,000	4,000,000	6	793,983	248,163	423,883	4,188,943
Commerce	....	17,468	20,000,000	30,000,000	567,214,640	50,000,000	30,000,000	8	4,551,662	10,418,000	24,077,000	27,754,796
Royal	58,990	37,499	20,000,000	35,000,000	726,693,553	50,000,000	35,000,000	8	1,667,612	11,934,839	35,931,491	35,030,878
Dominion	304,171	175,683	7,000,000	7,000,000	119,104,490	10,000,000	7,000,000	10	1,742,286	666,000	2,335,000	7,143,118
Nationale	....	6,338	5,000,000	7,000,000	124,032,659	10,000,000	7,000,000	8	226,777	953,037	3,265,298	8,270,919
Imperial	....	1,734	8,000,000	7,000,000	135,327,695	10,000,000	7,000,000	10	583,352	544,321	4,511,462	9,254,053
Barclays (Canada)	3,000	....	750,000	1,500,000	13,132,886	1,500,000	1,500,000	......	....	12,206	68,456	353,865
Total	1,913,136	630,866	132,750,000	145,500,000	2,855,809,413	211,500,000	145,500,000	......	14,551,660	48,930,886	145,587,433	149,455,735

*And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin $	Dominion Notes $	Notes of other banks $	United States and other foreign currencies $	Cheques on other banks $	Balances due from other banks in Canada $	Due from banks in U.K. $	Due from banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $	Other bonds, and stocks $	Call loans in Canada $	Call loans elsewhere $
Montreal*	15,130,479	67,751,037	3,038,227	408,612	21,877,979	1,200	6,862,380	9,961,757	148,197,447	117,408,380	18,484,949	11,177,788	3,404,915	6,938,865	43,647,312
Nova Scotia	8,860,110	13,741,099	970,591	2,055,234	7,230,187	....	2,967,568	5,912,818	26,419,945	39,358,868	13,354,930	913,154	8,395,626	7,720,363	2,273,493
Toronto	391,961	3,290,282	614,160	39,837	4,141,388	....	1,005,063	853,466	6,407,213	27,367,885	5,486,525	69,185	905,521	5,263,281	....
Provinciale	247,349	341,403	389,775	85,702	1,673,073	950,071	1,622	189,338	2,652,489	6,366,230	9,997,017	....	2,958,991	5,261,157	....
Commerce†	10,401,108	26,221,024	2,144,390	902,954	16,513,204	22,978	550,560	16,754,213	74,901,498	57,676,470	12,331,217	15,236,842	7,161,852	25,784,134	31,567,982
Royal‡	11,748,760	35,567,379	2,811,880	16,443,224	17,641,804	1,316	8,741,881	28,135,836	82,914,114	42,404,293	6,740,409	17,550,221	12,377,148	30,222,667	31,474,999
Dominion	655,910	3,334,929	801,970	60,450	4,390,633	....	272,148	880,645	5,880,490	17,991,932	4,340,664	135,930	1,845,117	7,807,745	3,655,729
Nationale§	936,062	2,632,925	532,720	92,576	3,101,732	646,717	665,117	432,052	8,878,190	15,088,830	13,977,837	279,773	3,697,987	4,665,861	....
Imperial	538,946	4,886,843	730,305	40,904	5,375,892	604,015	1,610,944	1,292,378	8,312,805	19,945,939	5,819,403	....	183,810	7,981,754	....
Barclays (Can.)	13,406	29,349	15,270	1,215	459,115	1,222,485	4,179,747	1,917,965	1,014,762	1,755,847	143,798	....	35,451	803,750	....
Total	49,014,602	157,796,270	12,049,288	20,130,708	81,405,007	3,448,791	26,857,039	66,330,468	365,528,953	345,364,664	90,676,709	45,362,893	40,966,418	101,449,577	112,619,515

NAME OF BANK	Other current loans in Canada $	Other current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non current loans $	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Letters of Credit	Deposit for note circulation $	In central gold reserves* $	Invts. in controlled cos. and other assets $	Total assets $
Montreal*	186,643,908	7,589,651	3,754,319	36,600,595	3,743,360	537,077	990,260	14,500,000	6,387,239	1,637,307	7,000,000	228,116	743,902,218
Nova Scotia	87,608,896	12,274,684	499,313	7,863,533	927,774	....	104,876	7,452,582	6,318,196	543,752	1,750,000	2,906,654	268,434,259
Toronto	46,750,574	....	....	4,739,725	375,227	....	42,871	3,631,699	723,868	325,275	1,230,866	....	113,655,883
Provinciale	13,789,311	....	....	920,681	195,417	626,891	373,528	2,142,755	57,083	192,400	....	78,325	49,491,119
Commerce†	171,909,955	15,235,468	6,452,610	26,933,875	3,453,501	2,612,853	2,588,197	14,772,877	19,768,456	1,250,000	4,000,000	4,441,431	570,679,599
Royal‡	219,453,083	100,533,038	615,138	10,177,645	4,101,287	2,745,651	855,471	17,038,416	18,921,895	1,600,000	3,000,000	6,955,663	729,773,240
Dominion	56,103,777	514,991	....	1,619,892	405,723	87,836	36,413	5,941,803	1,947,393	317,367	400,000	183,279	119,562,776
Nationale§	39,799,525	69,014	4,255,468	14,298,633	497,183	1,367,329	412,571	6,119,077	625,092	369,423	1,500,000	98,403	125,040,089
Imperial	56,697,331	....	3,494,052	7,968,954	435,687	197,622	397,005	6,004,513	417,758	453,304	3,100,866	186,271	136,677,381
Barclays (Can.)	1,005,569	....	....	....	11,722	....	....	450,000	51,899	15,354	....	8,083	13,134,794
Total	879,761,929	136,216,846	19,070,900	111,132,533	14,146,890	8,165,329	5,801,131	78,053,722	55,218,879	6,704,182	21,981,732	15,086,275	2,870,341,358

* Of this deposit $5,181,732 is in gold coin; the balance is in Dominion notes.

* The business of the bank in Paris, France and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII | NOVEMBER 3, 1934 | No. 44

Canada's Biggest Problem

LOSSES ON C. N. R.

Judge Fullerton Talks Down Economy Despite Burden On Every Citizen

HON. C. P. FULLERTON, chairman of the board of trustees of the Canadian National Railways, has taken to the stump. Emulating his famous predecessor in office, Sir Henry Thornton, he has been making speeches designed to allay any fears the Canadian people may have as to the easy and ultimate solution of their railway problem.

"Leave it to us and there will be no problem" is the purport of what he has been saying.

But Judge Fullerton is wrong. The filching of the taxpayers' savings to pay railway losses cannot be ended by singing lullabies. His exhortations are definitely misleading.

By the end of the present year Canada's realized losses on the public ownership of railways will have exceeded one billion dollars.

This is at the rate of about $450 for every family in Canada.

The loss is piling up yearly. There is no sign of its diminution.

* * * *

Judge Fullerton is Dictator

THE Duff Commission recommendations were disappointing. We do not believe they represented the convictions of the majority of the members of the Commission as to the real solution of the railway problem. But Prime Minister Bennett decided to give Co-operative Competition a fair trial. To ensure a fair trial, he appointed an ex-judge, who had learned something about railroading as chairman of the Board of Railway Commissioners, to head the Canadian National. He gave him two experienced business men as his associates. By providing that the chairman must approve every action of the board, he made Judge Fullerton Canada's railway dictator.

Judge Fullerton has absolute authority to effect any economies or to introduce any efficiency that is necessary to make the Canadan National Railways self-supporting, or as nearly so as they can be made.

During the first few months of his term of office he worked long hours studying his problem and, with the assistance of his two colleagues, Fred K. Morrow and J. E. Labelle, cutting costs. Then came silence. No more economies were announced. Co-operation between the Canadian National and Canadian Pacific lines ceased to advance, so far as the public was informed.

And now Judge Fullerton is out "talking down" economy; lulling the public into a sense of security regarding the Canadian National Railways that is not justified by facts.

The first duty of the trustees was to insist on the appointment of railway experts to bring in a report showing the economies that could be effected. They would be given definite instructions to disregard political considerations. They would bring in a comprehensive report on the whole railway problem, in which the C.P.R. and the C.N.R. are immediately concerned, but in which every taxpayer is also vitally interested.

The trustees have the powers to do this. They can still do it. It is not too late. When the report is brought in, if it is not accepted voluntarily by both roads, either can call for a board of arbitration. If the plan is blocked by either the C.P.R. or the Government line, the people should know about it. The issue would be put squarely before them.

* * * *

"Nothing to Worry About"

THE statement of Judge Fullerton that if the railway could secure a gross revenue of, say, $250,000,000 a year, the people of Canada would have nothing to worry about, is very interesting. But what does it mean?

The interest charges of the C.N.R. in 1933 were $92,000,000, of which $56,000,000 was interest on a funded debt held by the public and $36,000,000 was interest on advances made by the Dominion Government. The figures rise each year and are certain to be at least $100,000,000 a year before the railway can possibly earn a gross of $250,000,000 a year. Therefore, what the chairman is setting out to accomplish is to reduce the operating ratio of the Canadian National Railways to 60 per cent of operating revenue in order that he may have $100,000,000 left over out of his revenue to pay interest charges.

Last year the operating ratio of the railway was 96.16. In 1928, its most successful year, the operating ratio was 78.89. In the same year that of the C.P.R. was 77.40.

Just to give an idea of what an operating ratio of 60 per cent really means we set down the operating ratios of leading American railways in 1928 the year that C.N.R. achieved its best results:

Del. & Hudson	78.65	Burlington	70.1
Illinois Central	76.32	'Frisco	69.69
N. Y. Central	75.51	Atchison	69.45
Seaboard	74.95	M.-K.-T.	68.85
Pennsylvania	73.81	N.Y., N.H. & H.	68.41
St. Paul	73.43	Union Pacific	67.97
B. & O.	72.86	Mich. Central	67.20
South Pacific	72.22	Ches. & Ohio	66.1
Southern	70.70	Gt. Northern	65.68

Even if the railway operated at the lowest expense ratio shown in the above records a $250,000,000 revenue would leave a deficit of $15,000,000.

Judge Fullerton cannot begin to get his operating ratio down to a reasonable figure unless he gets the people behind him in the most drastic economies.

* * * *

Thornton-like in Figure-juggling

THE easy and carefree use of purely hypothetical figures of earnings misleads the public as to the real weight of the burden of carrying its publicly owned railways. One of the lamentable features of Sir Henry Thornton's regime was the manner in which he improperly juggled figures to fool the public as to what they were losing on the Canadian National Railways. We do not think that Judge Fullerton is another Sir Henry Thornton, but the statement he made in Saint John is so unrealistic and so superficial that it is a positive barrier to public understanding of the railway problem. It is regrettable that Judge Fullerton should have uttered it.

Rather than lulling the taxpayers into a feeling of complacency and security, not justified by the facts, he should be arousing public opinion to the necessity of very drastic economies in the operation of the railway in order that he may get the taxpayers behind him in resisting the tendency to extravagance that is always present in any political institution, in resisting the demands of politicians, of sections of the country and of groups in the country for favors which the railway cannot afford to grant.

When Judge Fullerton went into the railway to take over his present job the expectation was that he would devote himself to the one task of making the railway pay. There is evidence that during the first few months of his office he did concentrate on economy in the introduction of business-like methods. But now he has taken to the stump to play what looks to be a political game, fooling the public with figure juggling. In view of the fact that the railway problem is the most serious one we have in Canada the chairman's new tack is, to say the least, alarming.

* * * *

Government May Have to Intervene

SUSPICION has been growing in the minds of people interested in seeing a solution of the country's railway problem that the co-operative measures recommended in the Duff report are not being supported wholeheartedly by the government-owned line and the privately-owned Canadian Pacific Railway. This feeling has been strengthened by statement made from time to time by the heads of the two roads.

This country cannot continue to pay the heavy deficits of the Canadian National Railways or to guarantee loans to the competing Canadian Pacific Railway. If, as Mr. Fullerton hints, there is a lack of honest co-ordination between the two railways in efforts to better their own position, then the Federal Government is justified in intervening to see that co-operative measures are enforced. It would appear that only in this way can a conclusive decision be reached on the soundness of co-operation.

The legislation, providing for establishment of arbitral tribunals to settle disputes between the railways concerning the desirability of co-operative measures gives the Dominion government power to invoke the device.

If the railways cannot get together then the Dominion government should use its power, set up an arbitral tribunal on some key test case and force them together.

Maple Leaf's New President

Taming Tough Financial Bronchos Is Favorite Diversion of Hon. Charles Dunning—Hence His Entry Into Milling

By GRANT DEXTER

Recent announcement that Hon. Charles A. Dunning has become president of the Maple Leaf Milling Company is much more than an item of interest only to business men.

It means the opening of a new chapter in a remarkable career.

In the immediate future, at any rate, the Dominion has lost the services in parliament of a most able and outstanding representative of the younger generation of public men. Mr. Dunning is in his 49th year.

Back to Wheat

It means the return of a born leader of men to the basic industry of Canada—an industry in which he made his start long ago as a homesteader in Saskatchewan.

Today he is back with agriculture as the chief executive officer of one of the largest milling companies in the world. Mr. Dunning, to put it briefly, having spent twenty not unsuccessful years in public life and so-called big business, is directly associated once more with the top six inches of soil wherein, as Sir Richard Cartwright once said, the future destiny of this country is to be found.

News of his appointment struck Ottawa and, to an even greater degree, the West with the shock of an ice cold shower. With a general election less than 12 months distant, the tendency of late months has been to count party noses, to look to the post-election period. And assuming a Liberal victory, Mr. Dunning was placed in the portfolio of finance. He is, of course, the white-haired boy of the prairies. The West, while it defeated him in 1930, has never lost confidence in "Charlie" Dunning; has never ceased to feel that indescribable tingling of the nerves which proclaims parents' pride in the boy who made good.

Likes Tough Jobs

Yet Mr. Dunning's decision to forswear public life for the next five years at least (for that is what the Maple Leaf appointment means) was inevitable. If the milling industry had not attracted him some other hard pressed industry would have done so.

The Maple Leaf has just passed through a financial reorganization. Its presidency, admittedly, is no sinecure. Ordinarily a man with a cabinet portfolio almost waiting to be picked up, would look twice at an offer of this kind. But the very considerations which would give the average man pause, proved irresistible to Mr. Dunning. Difficulties which appear insoluble have for him the seductive glamor that chorus beauties are supposed to hold for dissolute young millionares. He can't resist them.

Financial Broncho-Buster

This phase of Mr. Dunning's character, undoubtedly the dominant one, stands clearly revealed in his past career. Hence his decision, made with clear eyes, to tackle the milling industry's problems rather than to walk political paths which, in the immediate future at least, appear uncommonly free of thorns and brambles.

For the moment, the Liberal party, while it holds his loyalty as firmly as always, does not interest him. His ears were tuned by nature to pick up "Macedonian" cries.

In more ways than one Mr. Dunning resembles a western broncho-buster. Plain riding gives him no thrill. But the tougher the bronc, the more it appeals to him. Mr. Dunning, it so happens, rides well but even the best of riders occasionally find the going too hard. Mr. Dunning has mounted many a political and business bronco and more than once he has been thrown. His is no unblemished record of success. His reactions, however, are never profane. He concedes the failure; concedes also the difficulty of the task. And, always, he spends much time trying to figure out where he went wrong.

Likes Romance Of It

There is still another curious trait in this latest western recruit to the ranks of big business. In everything he does he succeeds in injecting an element of romance and adventure. While he handles assets running into millions; grapples with liabilities which may even be greater; fashions the policies which control the operations of large plants and the activities of many employees—he contrives, somehow, to preserve for his soul's delectation the thrill of the small boy faring down the river on a home-made raft.

Many an able business executive will not take on a hazardous job without a contract. They desire security. Their failure may injure pride but not the pocketbook.

Security Unimportant

Mr. Dunning despises security. A few years ago when Dunning essayed a particularly hard one, someone remarked: "Good luck, Charlie. I hope you protected yourself."

"Do you mean, 'have I got a contract?'"

"Yes."

"Well, I haven't and it never occurred to me to ask for one."

He might have added that he would have refused one had it been offered. To take a contract would remove the greatest attraction he feels toward a tough business proposition. A man who seeks safety by contract is to Mr. Dunning much the same as the cowboy who "pulls" leather.

Whether or not Maple Leaf offered the new president a contract, the writer does not know. But, if so Mr. Dunning probably refused it.

Migrated From England

The Dunning career began at Croft, Leicestershire, England. He left school at 11 years of age, served as an office boy in a patent office, an apprentice in an engineering works. As a youth he excelled as a swimmer and in competing in the annual Croft aquatic fete he strained his heart. He had to stop work. He did much reading and came across immigration literature. He came to Canada in the spring of 1902—age 17 years.

—Sketched from life by Evan Macdonald.

CHARLES A. DUNNING

He went just as far West as his money would take him—Yorkton. Mr. Dunning worked a year for a farmer at $10 per month. The second year he homesteaded in the Beaverdale district of Saskatchewan and brought his family out to the homestead. He still owns and operates this farm and regards it as his home.

Gets Into Grain Growers

Seven years later the first annual convention of the Saskatchewan Grain Growers Association was held at Regina and Mr. Dunning was chosen the delegate from his community. Money available for his expenses totalled $17.50 but he made it do; also made so deep an impression at the convention that he was elected a director of the association and, next year, vice-president.

The farmers had been clamoring for a co-operative elevator company to handle their grain. The Saskatchewan government met this demand in a way which, it was thought at the time, foredoomed the effort to failure. The government incorporated the Saskatchewan Co-operative Elevator company, set up a provisional directorate consisting of the directors of the Grain Growers Association (six farmers) and declared that all the capital cost involved in the establishment of a line of elevators must be subscribed by farmers. They must then pay up 15 per cent in cash and the government would loan the balance, on the security of the farmers' pledges.

General Manager of Company

To organize the new venture was a herculean task. Mr. Dunning, being the junior director, was not considered at first. But the other five refused to try and hence his first venture into business. He got the elevator company under way, with such success that some years later the assets were sold to the Wheat Pool for $11,000,000. It was self-sustaining. The provincial government was paid back loans with interest and handsome profits were made for farmer members. Dunning was the organizer and later the general manager of the enterprise.

Provincial Minister

Once the Saskatchewan Co-operative Elevator company got on its feet and became successful, the young general manager (not yet 30 years of age) lost interest in it. He began to look about for new fields and these, rapidly, were opened to him. The Scott government was in distress. Premier Scott was ill. All manner of scandal charges were being hurled about: Royal Commissions were burrowing into various phases of governmental activity. The crash of the Liberal government of the day was thought inevitable.

The party met the challenge by a reorganization. Scott retired in favor of Martin and Martin offered Mr. Dunning the portfolio of finance. He received the offer on a Friday night, accepted on Monday morning. That was in 1916.

The following ten years saw Mr. Dunning holding most of the portfolios in the provincial administration, culminating in the premiership. The government did not collapse.

Service in War Work

Other activities went hand in hand with political service. Mr. Dunning served with distinction on the food production board organized by the Borden government. He was a leader in the campaign for greater wheat production as a means of winning the war. Mr. Dunning concedes that they got so much wheat land under cultivation during the war that we have been suffering from it ever since.

Comes to Ottawa

In the middle twenties, without a cloud on the political horizon, Mr. Dunning began to weary of his job. He looked toward Ottawa and his gaze became more intent when Mackenzie King led the Federal party virtually to defeat in the autumn of that year. Mr. Dunning ran an election in Saskatchewan, left his party with an overwhelming majority in the legislature and came to Ottawa in January of 1926 when the fate of the King government was something more than uncertain. He was sworn in as minister of railways and canals.

In the six chaotic months that followed Mr. Dunning was in his element. For the first time in his political career, he found himself in opposition. This phase lasted three days when the Meighen "shadow cabinet" was defeated and in the general election that followed the Liberals were returned.

Switches Rail Terminus

His period in the railway department brought one difficult problem which he solved in a characteristic way. The West had been clamoring for the completion of the Hudson Bay railway. It was then under construction with Nelson as the terminal. Mr. Dunning studied the route carefully and decided that Nelson could never be made a suitable port. Churchill was much better located. He full well knew that his action would arouse suspicion in the West. But he made the change. Earlier criticism gave way to general approval. Had he been wrong, his political career would have been ended.

Defeat in 1930

A brief term in the treasury, following the sudden death of Hon. J. A. Robb, brought efforts to revise the Canadian tariff. But his time was short. The general election of 1930 brought him political defeat for the first time in his life. For the first time since his youth he was out of a job. Farming, as such, could not take the place of the many responsibilities he had been accustomed to carry. Moreover, Mr. Dunning had been so busy in politics that he had never given thought to his own position. Several seats in the Commons were offered to him but he decided to shun politics for a few years and try to make enough money to relieve him of worry both as to his own future and that of his family.

He believed there must be plenty of openings in the business world. The depression was knocking the foundations from under many businesses. He believed he possessed a talent for constructive work. But if he thought of himself in these days as a business doctor he often wondered later on if there was as great an opportunity for a physician of commerce as for a high class mortician.

His first commission was the general managership of the Seigneury Club, practically speaking a subsidiary of the C.P.R., and a venture in which several millions had been invested. Mr. Dunning reorganized Lucerne-in-Quebec, its official name, and succeeded in cutting costs and increasing revenues.

Tough Bronco, Newsprint

He did his best to straighten out the newsprint tangle, but this has proved to be a bronco beyond his capacity. He retains a number of directorates in newsprint companies and will continue to be an active force in the industry, but in this field, he freely admits, he has wrought no miracles.

Other commercial & financial openings came his way. He took on the presidency of the Ontario Equitable Life and now musters an imposing array of directorates. One of which he is very proud is that of Barclay's Bank (Canada).

His attitude to business is well defined. His chief interest lies in what he calls basic industries — wheat, milling, pulp and paper and so on. Lucerne-in-Quebec really did not qualify. It never took more than part of his time and he has now severed all connection with it.

View on Depression

Mr. Dunning has had many successes; he has had a few failures. But he has never left a company in a worse position than he found it.

Mr. Dunning regards the depression, not as a crowning affliction on mankind, but as a time of character-testing, a time rich in opportunity for service and for solid building. A foundation well and truly laid in depression days is not likely to be shaken by future financial storms.

Flair For Handling

The man himself is unique. His methods of work are not unique. He combines a prodigious capacity for hard work with a touch of genius in his relationship with human beings. His capacity for work, his ability to soak up endless detail and retain it in his mind whilst still preserving a just perspective of major problems confronting him, is something which he has developed through long years of public life. It is probable that any first rate executive could match him on this score. But his flair for handling men and women is instinctive. He understands people without making the slightest effort to do so. He was born with a just sense of human values.

He is interested in every one he meets. Railway porters, office charwomen, caretakers, office boys, clerks—to him all are of absorbing interest. He has a knack of divining what they can do best; the sort of work at which they will be happiest. In his years as a cabinet minister he took more round pegs out of square holes and fitted them into proper ones, than any other public man of our time. However inefficient and lackadaisical a department may have been when he took charge, he left it a smooth working branch of government — without making many additions to the staff, often none at all. Wherever Dunning has been will be found young men in junior positions on their way to the top.

Uses no Big Stick

He has never used and does not believe in the "big stick" method of running an organization. He works with his staff and will not permit any whips to be cracked. He regards any business organization as a team playing a game and not as an army fighting a battle. He seeks team-play, co-operation, loyalty, love of the game, sportsmanship. He believes that the service a man will give is far better than the service commanded under discipline.

This is the philosophy which Mr. Dunning — homesteader, farmer business man, politician, statesman—will take with him in his latest venture.

War On Waste

PLANS are being made, it is reported, for enlargement of the Ontario legislative and administrative buildings in Queen's Park, Toronto.

The provincial government apparently has in mind the beautification of the surroundings of the present legislative quarters.

While the sphere of provincial government has been widened in recent years, the Ontario Parliament Buildings have already been expanded in keeping with this bureaucratic growth. An inspection of the enlarged premises of government reveals no shortage of space. And the reductions that have been made in personnel should reduce the demands on the already ample facilities.

While beautification of Queen's Park may be a desirable project for relief work it can be done at a low cost without erection of large new buildings. And if the design of the new "East Block" were followed no beautification whatever would result. Ontario would avoid waste at a time when it can ill be endured, by devoting its attention to less costly and more necessary projects than bigger administrative buildings.

B. C. Seeks Control of Crown Timber Lands

From Our Own Correspondent

VANCOUVER. — Following publication in The Financial Post of a despatch from this city, telling of the large export of logs from British Columbia, the provincial government announced that it would press for provincial control over all Crown grant timber so that unregulated shipments of raw timber could be checked.

Members of the government pointed out that four-fifths of the present large export of logs from British Columbia is entirely outside provincial control. It is cut from timber limits that were Crown granted prior to 1906. All timber Crown granted since that time is under provincial control.

A change in the British North America Act would be necessary to give the provincial government control over the large timber areas crown granted in the early days of the province. The question will be discussed at the constitutional conference to be held in Ottawa.

Meat From Argentine

Heavy imports of canned meats from the Argentine were recorded in September, 1,500,000 pounds valued at $82,000 being the month's total.

Probing Montreal's Deficit

OSCAR MORIN, K.C.

Eminent French-Canadian Blames Depression for Civic Troubles

Oscar Morin, K.C., one of the foremost authorities on municipal affairs in the province of Quebec, has been named as the only French-Canada member of a committee of three men who will investigate the finances of Canada's largest city, ancient Montreal.

Mr. Morin has been active in municipal affairs since he was elected an alderman in the walled city of Quebec in 1910. He will work with Dr. Horace L. Brittain of the Citizens' Research Institute of Canada and Thomas Bradshaw, president of the North American Life Assurance Co. in the enquiry into remedies for Montreal's heavy deficit.

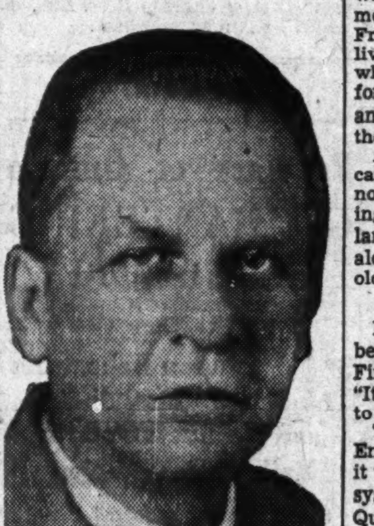
Breton Ancestry

Fair-haired and blue-eyed, Mr. Morin speaks English in the most modern idiom. Stalky of build, he might be taken on the street for a business man from the western prairies. But he boasts a Breton ancestry that goes back over 250 years in Canada. He was born in Massachusetts, brought up in Providence and Montreal, and has studied and practised law and worked most of his life in the historic city of Quebec.

Views on Defaults

Requested by The Financial Post in a recent interview for his views on the cause of municipal defaults, Mr. Morin did not lay the blame entirely on municipalities.

"The depression was the chief cause, as far the Quebec defaults were concerned," he stated. "There isn't a reason in the world why any Quebec municipality would not be paying its obligations in full had it not been for the relief costs and slowing down of tax receipts due to the depression," he added. Then, philosophically: "But I think the depression will have a good effect once we're through with it," meaning, of course, that we should learn from adversity.



OSCAR MORIN, K.C.

The chief immediate cause of default, in most cases, states Mr. Morin, has been short-term debt, bank loans. The existence of these debts, in turn, goes back to the slowing of tax collections and the increase of expenditures due to relief. The cause of the latter, he says, lies in the depression. "The same causes," he says, "have brought the same effect all over the world."

Can't Stand Relief

"The municipalities cannot stand the cost of relief," Mr. Morin commented to The Post on this vital municipal problem. "In Quebec, if the Government does not take over all relief costs, there will be more municipal defaults," he said.

The province, he explained, now pays the relief expenses of defaulting municipalities. Mr. Morin suggested to The Financial Post that the province might well consider paying the entire relief costs of non-defaulters as well as of defaulting municipalities. Because it has wider taxation powers, he believes the province is better able to carry the cost. In brief, he feels that relief should be a provincial and national matter, rather than a municipal financial responsibility.

It is apparent that although Mr. Morin is no longer one of the Quebec Municipal Commissioners, he is just as keenly interested in the progress in administering the department as he was when he headed it.

Nursing Defaulters

Defaulting municipalities, in the opinion of Mr. Morin, will just have to be nursed along until conditions allow of debt settlements, or until they are able to meet their obligations and regain their autonomy. Some of the Quebec defaulters want to stay under the Municipal Commission's wing, he stated.

The people in Quebec feel that the Municipal Commission was, and is, trying to help them, Mr. Morin told The Post, in explaining the general satisfaction with the rule of that body. The creditors, the taxpayers and the debtor municipalities all feel the same way, he said.

Introduced Publicity

One of the features introduced into municipal administration in Quebec by Mr. Morin has been adequate publicity and information. "I felt that it was only right to keep bondholders informed," he explained to The Post.

Mr. Morin started the Quebec Commission's policy of issuing periodical releases to the press and to creditors of statements and advices concerning the finances of defaulters. When a coupon is to be paid, the news is released promptly.

Some months ago, when The Financial Post was gathering information on municipal defaults, Mr. Morin was asked to give data concerning Quebec. He immediately had a complete list compiled and issued it for publication. This contrasts with the Ontario situation where details of defaults and finances of defaulters have had to be ferreted out by The Post from diverse sources.

Urges Registration

One of the aims of the publicity started by Mr. Morin was to get bondholders of defaulting Quebec Municipalities to register with the commission so that compromises could be arranged where necessary. Despite the efforts made, only about 15 per cent of bondholders have been registered. Mr. Morin pointed out to The Post that one of the main reasons for this is that Quebec bondholders often do not want to be known to possess wealth in the form of bonds.

Bondholders should register with the commission, says Mr. Morin. "Even the Premier of Quebec would not reveal the names if asked in the legislature," he states.

Mr. Morin is no armchair expert. He has seen more of the detail of actual municipal administration than most civic officials. And he understands the political limitations of financial reform. This important phase of his knowledge is due to his long association with provincial and municipal politics and politicians.

Born in Massachusetts

Oscar Morin was born in 1875 in the village of East Lee, Massachusetts, where his father was employed. Shortly afterward the family moved to Providence, R.I., and stayed there until 1886, when Oscar was 11, and his father died. His mother then returned to Montreal. From that time, Oscar Morin has lived in the province of Quebec where his forebears had settled before Louis XIV was King of France and when the Stuarts were still on the English throne.

After public and high school education in Montreal, Mr. Morin had no idea of studying law and becoming a municipal expert. He finally landed a job on the Montreal Herald in 1895 when he was 20 years old.

Newspaper Training

He was reporter for 1½ years. "I believe in publicity," he told The Financial Post in a recent interview. "It pays to advertise, but you've got to deliver the goods."

These words illustrate his modern English usage. And they show why it was that Oscar Morin initiated the system of bulletins issued by the Quebec Municipal Commission; why he is always ready to give useful information to the press.

In 1897 Mr. Morin first went to Quebec city. He had been appointed private secretary to Hon. Horace Archambault, new provincial attorney-general and batonnier of the Quebec bar. With the new job, Mr. Morin got $100 a month and took unto himself a wife. While the salary had seemed a royal one in 1897, is looked much smaller by 1903. By then, Mr. Morin had five children.

Started Law Studies

Hon. Horace, Mr. Morin told The Post, was always saying to him: "Why don't you study law? Why don't you study law?"

Under the pressure of necessity due to his increased family, and with the urging of his chief, Oscar Morin entered Laval University at Quebec to study law in 1903.

"It was the best move I ever made," says the 59-year old Oscar Morin of 1934. He graduated from Laval in 1905. He had the distinction of being the first father of five to go through Laval as a law student.

Start in Municipal Work

In 1910 Mr. Morin entered the civic political arena, and was elected an alderman in Quebec city. Shortly afterward he became solicitor for the city. He was taken from this position in 1918 by the late Sir Lomer Gouin, then Premier of Quebec, to be the first deputy minister of the newly formed Department of Municipal Affairs. Mr. Morin is given credit for having built an exceedingly efficient department in the years he worked as deputy.

In 1932, Mr. Morin continued his leadership among Quebec Municipal administrators. He was made the first president of the Municipal Commission formed by the Taschereau Government to combat the spread of municipal bankruptcy.

Iron-Handed Rule

For over two years he was president of this body, which, in Mr. Morin's own words, "has ruled Quebec with an iron hand." And his challenge is: "Have you ever heard of a complaint about the commission's work?" From both creditors and debtor municipalities the answer is "no."

Retired to Practise

Early in the present year, Mr. Morin intimated to the Quebec Government that he wished to retire to private legal practice. At that time the commission which he had set up was working successfully and satisfactorily. "I was working like a horse," he says. "I had a breakdown." Finally, in August, the government acceded to his request. So he now practises law privately and has offices in the Price Building at Quebec.

On Montreal Committee

Mr. Morin has just been appointed, along with Mr. Bradshaw and Dr. Brittain, as one of a committee of three named by the city of Montreal to survey the position of the finances of that city. The council of Montreal has undoubtedly realized that the good work of the Quebec Municipal Commission under Mr. Morin's direction has been effective not only from the standpoint of the municipalities themselves but also of their creditors.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad. $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 191

NOTICE is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1934, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st December next, to shareholders of record at the close of business on the 31st October, 1934. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.

Toronto, 19th October, 1934.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 21

NOTICE IS HEREBY GIVEN that a Dividend of 20 cents per share, being at the rate of 80 cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending November 15, 1934, payable December 15, 1934, to shareholders of record at the close of business on November 15, 1934.

By Order of the Board,
FRED HUNT,
Secretary.

October 25, 1934.

Royalite Oil Company, Limited

NOTICE OF DIVIDEND NO. THIRTEEN

NOTICE is hereby given that a dividend of 75c per share has been declared payable to the shareholders of the Company of record as such on the books of the Company at the close of business on FRIDAY, the 9th day of NOVEMBER, 1934, and that the Dividend will be payable on or after the 23rd day of NOVEMBER, 1934. Dividend cheques will be mailed from the office of the Company on the 23rd day of NOVEMBER, 1934.

THE REGISTER of Transfers will be closed from the close of business on the 9th day of NOVEMBER, 1934, until the opening of business on MONDAY, the 19th day of NOVEMBER, 1934.

By order of the Board.
T. E. BURNS,
Secretary-Treasurer.

Calgary, Alberta,
October 22nd, 1934.

DIVIDEND NOTICE

LANGLEYS' LIMITED

Preferred Dividend No. 15

Notice is hereby given that a dividend of $1.75 (being at the rate of 7% per annum) per share has been declared on the Cumulative Convertible Redeemable Preference Stock of this Company for the quarter ending February 15th, 1933, payable November 15th, 1934, to shareholders of record at the close of business October 31st, 1934.

By Order of the Board of Directors,
P. G. SHAY,
Secretary-Treasurer.

Dated at Toronto, October 19, 1934.

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada,
October 24, 1934.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash December 1st, 1934, to holders of record of such stock at the close of business November 1st, 1934.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS,
Secretary.

What Are the Newspapers Saying?

No business man has the time to read hundreds of papers daily; to search their pages for informative data relative to himself or his business.

Our Bureau would bring that service to you daily keeping you constantly and up-to-dately informed of all new developments affecting your business field.

Write us to-day of your requirements.

CANADIAN PRESS CLIPPING SERVICE
481 University Ave., Toronto 2

The Consumers' Gas Company of Toronto

NOTICE
of
ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on MONDAY, the 12th DAY OF NOVEMBER, 1934, at 12 o'clock noon.

By Order of the Board,
ARTHUR HEWITT,
General Manager.

Toronto, October 10th, 1934.

Wheat

Market Quiet

GOVERNMENT control of the Winnipeg Grain Exchange, as announced in John I. McFarland's statement on Monday, had little apparent effect on prices, although weakness was evident, and the close was lower in sympathy with Liverpool and Chicago. Trading continues quiet and featureless, news containing little to indicate a definite price trend. Export shipments have been small and the absence of overseas demand is disappointing.

* * *

Rust in Argentina

DEVELOPMENT of rust in the Argentine wheat crop is one of the possibilities of the wheat situation, and that could have a very bullish effect on prices. The market at the moment is probably discounting an Argentine crop fully up to and perhaps above average yields. There seems to be a situation which has often prevailed in Canada, where there is a sufficient infestation by rust to be extremely dangerous if a period of hot damp weather should exist long enough to bring rapid multiplication of spores, but not sufficient to be very important unless such weather should be experienced.

Roy W. Milner Elected President, Bawlf Grain

Roy W. Milner, who since July last has been general manager of the N. Bawlf Grain Company was last week also made president, in succession to W. R. Bawlf, at a meeting of the directors following the annual meeting of the company. G. C. Griffin was re-elected vice-president, and W. Pope, secretary-treasurer. The other members of the board are J. R. Murray, Stewart Ormond, H. Symington, H. W. Webster and H. J. Symington.

Mr. Milner, who this year is president of the Winnipeg Grain Exchange, was formerly associated with Mr. John I. McFarland, as assistant general manager, in the conduct of the Alberta Pacific Grain Company. In 1931 he assisted in forming the grain firm of Jackson Bros. Ltd., of which he is now president.

NOTICE

Province of Ontario GUARANTEEING $7,500,000

20 Year 3½% Coupon Debentures Issued by Temiskaming and Northern Ontario Railway Commission

Sealed tenders endorsed "Tender for Temiskaming and Northern Ontario Railway Commission Debentures," addressed to the Chairman of the Temiskaming and Northern Ontario Railway Commission, c/o Provincial Treasurer, Room 373, Parliament Buildings, Toronto, will be received by him up to 12 o'clock noon, on Friday, the 2nd of November, 1934, for—

$7,500,000 Temiskaming and Northern Ontario Railway Commission 3½% Debentures, dated the 1st November, 1934, maturing the 1st November, 1954, bearing interest at the rate of 3½% per annum, payable on the 1st May and 1st November, principal and interest payable at holder's option in lawful money of Canada, at the Bank of Nova Scotia, Toronto, Montreal and North Bay, Canada, or at any branch of the Bank of Nova Scotia in Ontario.

Debentures to be issued in denominations of $500 and $1,000, with coupons attached, and may be registered as to principal only, in Toronto.

THESE DEBENTURES ARE FULLY GUARANTEED AS TO PRINCIPAL AND INTEREST BY THE PROVINCE OF ONTARIO.

Delivery and full payment for debentures, with accrued interest to date of payment to be made in Canadian funds, in the City of Toronto, on the 16th of November, 1934.

On receipt of payment, interim debentures will be issued, exchangeable for definitive debentures on completion of same by engravers.

Tenders must be for the whole amount offered, and each tender must be accompanied by a marked cheque for $75,000, payable to the Temiskaming and Northern Ontario Railway Commission, to be applied in the case of the successful tenderer as part payment for the debentures.

The above debentures will be issued under the authority of The Temiskaming and Northern Ontario Railway Act, being R.S.O. 1927, Chapter 53.

The highest or any tender not necessarily accepted.

Any further information will be supplied on application to the Deputy Provincial Treasurer, Parliament Buildings, Toronto, Ontario, or to the Temiskaming and Northern Ontario Railway Commission, North Bay, Ontario.

M. F. HEPBURN, Chairman,
Temiskaming and Northern Ontario Railway Commission.

Treasury Department,
Parliament Buildings,
TORONTO, Ontario;
TORONTO, October 29th, 1934.

Mex. Tram. Securities Are Ready to Distribute

Notice has been given by the chairman of the Coupon Holders' Committee of Mexico Tramways Co. that new securities are now ready for distribution. Distribution of assets was approved by the bondholders last summer.

In order to obtain the securities, shares and cash which the bondholders may be entitled to receive under the agreement, they must deliver their bonds to National Trust Company, 20 King Street, East, Toronto, or the Canadian and General Finance Co., London, E.C.2, accompanied by lodgement forms.

Grain and Milling in Canada

WESTERN CANADA WORKING CAPITAL AND PROFITS UP

High Price of Wheat Hampers Export Trade of Millers

Higher profits and working capital are reported in the annual statement of Western Canada Flour Mills Co. for the fiscal year ended Aug. 31, 1934. Net before provision for depreciation and doubtful accounts, at $275,302, was up $39,137 from the preceding year, while at the close of the period under review current assets exceeded current liabilities by $917,003 against $905,805 at the previous year end. Net profit amounted to $6.13 a share on the preferred stock against $4.73 in the preceding year.

In his report to shareholders President D. B. Hanna points out that domestic business has been maintained, but that the continued holding of the price of wheat in Canada at substantially higher levels as compared with world prices has seriously militated against participation by the Canadian milling industry in export business. Wheat production of western Canada for 1933 was substantially reduced and from present indications the current harvest will not greatly exceed the crop for the year under review.

Taxes Burdensome

Taxes still involve heavy burdens on the milling industry, Mr. Hanna declares. However, the company's plants have been maintained in first-class condition and no important expenditures of a capital nature were made in the year. While the salt division experienced unsettled conditions, some improvement occurred in the baking division

The president explains that, owing to the protracted depressed conditions which have particularly affected the company's subsidiaries, the board considered it desirable to transfer a further amount of $200,000 from general reserve, of which $50,000 has been credited as an addition to reserve for doubtful accounts and $150,000 added to reserve for investments.

Profit Appropriations

Out of the profit of $275,302 an additional sum of $127,306 was provided for depreciation and doubtful accounts and $72,390 was paid in preferred dividends, leaving $75,606 to be added to profit and loss balance, which totalled $904,767 at the end of the period under review as compared with $829,161 at the preceding year-end.

Consolidated Income and Surplus Account Years Ended August 31

	1934 $	1933 $
Operating profit	275,302	236,165
Less: Res. for deprec. & bad debts	177,306	121,857
Trans. to res. for invests.	150,000	100,000
Add: Transf. from gen. reserve	200,000	100,000
Net profits	147,996	114,308
Less appropriations: Preference divds. ...	72,390	93,504
Surplus for year	75,606	20,804
Add: Prev. surplus ...	829,161	808,357
Balance forward	904,767	829,161

Working Capital Up

Current assets on Aug. 31, were $2,645,972 as against $2,364,654 on Aug. 31, 1933, and included $1,966,602 in inventories, $627,029 in receivables and $52,341 in cash.

Current liabilities totalled $1,728,970 against $1,458,849 and were made up of $779,000 in secured bank loan, $931,872 in accounts and bills payable and $18,097 in dividends payable Sept. 15, 1934. Real estate, buildings, plant and equipment, less reserve for depreciation, are carried at $4,889, 056, a reduction of $117,451, while investments including investments in and advances to affiliated companies, less reserve, are shown at $1,223,150, a decrease of $96,101.

Working Capital

	1934 $	1933 $
Current assets	2,645,972	2,364,654
Current liabilities	1,728,970	1,458,849
Working capital	917,002	905,805
Ratio	1.53—1	1.62—1

On the liability side outstanding capital is unchanged at 24,130 preferred shares of $100 par and 135,000 no par common shares. Reserve for doubtful accounts, contingencies, income taxes, etc., are down $40,661 at $199,741; pension fund reserve is unchanged at $50,000; property reserve is down $35,308 at $911,331; and general reserve, as explained above, is down $200,000 at $393,135. Indirect liabilities consist of $1,078,656 in customers' paper under discount and $1,803,000 in the guarantee of a loan to the Purity Baking Co.

More Definite Statement Expected From McFarland

Winnipeg Surprised at Attention to Question at the Present Time — Thinks Regulation Would Hinder Government Liquidation

From Our Own Correspondent

WINNIPEG.—The contents of the statement put out by John I. McFarland on Monday, proposing regulation of trading on the Winnipeg Grain Exchange were a matter of considerable surprise in Winnipeg. After the lengthy conferences in Ottawa between Prime Minister Bennett and Mr. McFarland and preliminary statements from Ottawa that important announcements were to be released simultaneously in Winnipeg and Ottawa, something more definite was expected.

The real mystery, however, is as to why so much attention should be given to the matter just now. There is nothing at all to indicate that prices of wheat in Winnipeg would be any higher now if any imaginable regulations were in effect, or that they would previously have been higher, and there seems no reason to believe that any regulations whatever put into effect tomorrow would alter the difficulties of the government situation with respect to its wheat commitments, which involve getting out of an extended position, and re-establishing the flow of Canadian wheat to export markets.

Impede Normal Trading

Immediately, it is hardly likely that any damage will be done by any changes proposed. Government guaranteed holdings form so large a percentage of the wheat market at the present time as to prevent normal functioning, and holding by others than the government could not be much smaller than at the present time. But if it desired ever to reduce the extent of the government position normal functioning of the market will be necessary, and the type of regulations likely to be suggested may well impede return to normal.

Nevertheless, it is possible that the government might be drawn in deeper yet, for if the new regulations should interfere with adequate hedging by purchasers of the Canadian wheat and flour, and instant execution of orders, government pegging of prices from day to day might become necessary.

Want Investigation Now

While so far no statement has been made by officials of the Winnipeg Grain Exchange, there is disappointment among some members that an investigation of the situation does not seem likely before steps are taken which later may be cause for regret. It is difficult to see how any investigation could be made without baring in greater detail than may be desired just what the government has been doing in the market. But investigation might reveal the fact that regulations frequently imposed in Chicago are considered to have had a harmful effect and to have hurt instead of to have improved wheat prices.

The whole theory that short selling of wheat may be harmful has been under examination at probably every one of the numerous investigations of the grain trade which have taken place in the past, without any trace of manipulation practices having been discovered.

Observation Allowed

No one would object to having the course of the market continually under observation so as to determine whether or not anything of the kind takes place in the future, nor to publication of the exact extent of trading in the market. But Mr. McFarland seems to suggest that he wants to see something more than that.

Some critics of the wheat market, of course, hope that its functioning may be made entirely impossible, in order that the government may be forced to take over permanently the whole business of buying and selling wheat, but there is no reason to attribute any such stand to the government.

McFarland Spoke for Ottawa
From Our Our Correspondent

OTTAWA.—Regulation of short selling on the Winnipeg Grain Exchange is regarded as certain at Ottawa. While the McFarland statement issued at Winnipeg last Monday contained recommendations that the exchange operations should be restricted and controlled it is understood that he might as well have announced that the government intends to take whatever measures may be possible in this regard. The McFarland statement was gone over either in text or in notes prior to his departure for Winnipeg and was endorsed by the government before it was made public.

Cabinet opinion regards the task of carrying the McFarland recommendations into effect as more difficult than would appear on the surface. Undoubtedly it is hoped that the Grain Exchange will co-operate in restricting speculative trading in wheat. If not, several other courses are open to the government.

Powers Questioned

The government might attempt to impose restrictions on the exchange, although there are grave doubts as to the power of the Dominion to do so. The operations of the exchange, as distinct from the grain handling business, have always been deemed to be within the jurisdiction of the provinces.

If the Dominion feels unable, through lack of constitutional authority to enforce regulations, the Manitoba government will be invited to co-operate. The two, combined, have complete authority.

Wheat Board Alternative

But if co-operation cannot be obtained, the Dominion would still be able to step into the grain business with a Wheat Board, suppressing the exchange entirely.

It is believed, however, that the exchange will co-operate with the government and Mr. McFarland and that forceful methods will not be necessary.

McFarland Statement

In making his statement on the grain exchange, Mr. McFarland reviewed the history and uses of futures trading. In part, he said:

"My observations over a long number of years, coupled with my actual experiences in recent years, have led me to the conclusion that there is every once in a while, a drive on the price structure, led by the professional speculator, in which millions of bushels of wheat, which they do not own, are poured into the market until the saturation point is reached and the price structure crumbles under those ruthless attacks.

"The public who are long on the market (that is, holding for a rise in price), and possess only limited resources, are liquidated in a wholesale fashion; the farmers' equity vanishes in the grain against which he has received an advance from elevator companies, and his stored grain is forced upon the market, while those who have sold many millions of bushels of grain, which they do not own, thus create an opportunity, where they may purchase at a lower price, the liquidated holdings of the public.

Control Needed

"Winnipeg is now the most important open grain futures market in the world, operating in an export country. It may become the target of outside destructive speculative forces, who are now controlled in their operations on the Chicago Board of Trade.

"It is evident the Chicago market is no longer an open futures market, and I claim that as a protection to the public as well as to the producers of this country, steps should be taken to restrict and control the operations of the Winnipeg Grain Exchange. Furthermore, such a system of control will prevent a recurrence of the heavy sales of futures in the Winnipeg exchange as occurred during the past few months.

Duty of Government

"If the futures marketing system is the best system which can be devised to finance and distribute the crop, then there is a moral responsibility on the governments of this country to take such steps as will protect the operation of this system in some measure at least against unwarranted operations by large speculators.

"It is impossible to compute the price benefit received by the people of this Dominion during the past four years, as a result of the support of the price structure under the guarantee, by the Bennett Government.

Pool Worth $200,000,000

"Unprejudiced observers of world market conditions, of production figures, and of the enormously reduced constructive speculative factors, have estimated such benefits at upwards of 200 millions of dollars.

"It is now quite evident that without Government support in these years, the futures system would have failed in its essential function."

Coarse Grain Seed Shortage Certain

From Our Own Correspondent

REGINA.—The coarse grain seed situation has reached an acute stage and is causing concern among government and agricultural officials. The Saskatchewan Government, seeking a substantial amount of fall rye was able to get about one seventh of the amount sought. As a result fall rye sowings are substantially less than they were last year.

The spring rye situation is equally as bad. The 1932 yield was in the region of 1,800,000 bushels delivered. The 1933 deliveries were around the 600,000 bushel mark and so far this year not much more than 400,000 bushels have been delivered. A survey reveals that farmers are not holding any great quantities in their bins. Much of the deliveries this year are not suitable for seed as frosts have made germination doubtful.

The seed oats situation presents probably an even worse picture than rye. Efforts are now being made by the Alberta and Saskatchewan Governments to gather in as much seed oats as possible.

On top of frost damage to barley which depleted sources of seed supplies, the premium offered by malters has reduced the amount of this seed available for 1935 and it is expected that just as acute a shortage will be experienced as in other coarse grains. Heavy shipments have been made outside of Canada to malters.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Oct. 26	59,909,144	58,221,926	65,538,075
Country elevators, Oct. 19	96,943,839	94,203,810	102,320,979
Total, all points, Oct. 19	245,446,954	237,577,120	245,242,584
World Shipments, incl. flour:			
North American, Oct. 26	3,955,000	4,326,000	4,468,000
Argentine, Oct. 26	1,557,000	2,793,000	1,359,000
Black Sea*, Oct. 19	144,000	256,000	1,488,000
Australian, Oct. 19	1,241,000	2,790,000	1,002,000
Total, world, Oct. 26	9,134,000	9,086,000	10,153,000
Visible Stocks:			
Canadian, Oct. 26	134,403,000	132,894,000	132,147,000
United States, Oct. 26	103,079,000	104,867,000	144,139,000
Argentine, Oct. 19	15,431,000	16,166,000	9,920,000
Australian, Oct. 19	25,000,000	27,488,000	9,496,000
Country Marketings and Exports:†			
Canadian exports, Oct. 19	2,675,705	2,308,714	5,837,008
Cum. to Oct. 19 (12 weeks)	35,870,949	33,195,244	42,686,223
Country marketings, Oct. 12	15,440,267	8,457,256	14,109,483
Cum. to Oct. 12 (11 weeks)	109,643,841	94,203,574	107,915,965
Country deliveries, Oct. 26‡	10,123,000	12,882,000	7,084,000
Country loadings, Oct. 26‡	8,485,000	9,933,000	5,568,000

* Includes So. Russia. † Excluding flour. ‡ Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to October 30

Crop year from Aug. 1, 1934 High	Low		Open Oct. 24	High for week	Low for week	Close Oct. 30
		Wheat				
.95	.74⅜	October	.76¾	.77⅞	.74⅜	.74⅜
.97	.75¼	December	.77⅞	.78⅛	.75¼	.75½
1.00½	.80⅛	May	.82¼	.82¾	.80⅛	.80⅜
		Oats				
.48	.39⅜	October	.41⅜	.41¾	.40¼	.41
.47⅞	.38½	December	.40⅞	.41	.39½	.39⅝
.49⅝	.39¾	May	.41⅝	.41⅝	.40	.40½
		Barley				
.64⅛	.48⅛	October	.52⅜	.53¼	.50⅝	.50⅞
.63⅜	.49	December	.53	.53⅝	.51	.51½
.65	.50¾	May	.54¾	.55⅜	.52⅞	.53⅜
		Flax				
1.73½	1.26	October	..	1.33½	1.30¾	1.31¾
1.74¾	1.19	December	1.36	1.36⅝	1.31¼	1.32¾
1.73½	1.28	May	1.39½	1.41	1.36	1.38
		Rye				
.76½	.51¼	October	.55¼	.55¼	.52	.52⅝
.77	.51⅞	December	.56	.56¼	.52⅜	.53⅜
.80⅛	.55½	May	.60⅛	.60⅛	.56⅜	.57⅝

Lethbridge Crop Above Last Year

Southern Alberta has harvested a better crop than last year, with some sections having their best crop in several years, Senator W. A. Buchanan, publisher of the Lethbridge Herald, told The Financial Post recently. He said that an erroneous impression that this area was included in the drought belt had apparently made some headway in Eastern Canada.

Yields as high as 40 bushels to the acre were reported from non-irrigated farms, he said, and still better yields from the irrigated areas. Besides an encouraging wheat crop, Senator Buchanan stated that the Lethbridge area had produced the biggest sugar-beet crop ever, that the potato crop had been successful and that higher hog prices were proving beneficial, all of which has been pointed out in The Financial Post from time to time throughout the year.

INTER. MILLING NET PROFIT UP SURPLUS JUMPS

After All Dividends Has Surplus of $740,867 in 1934

Decidedly different is the annual report of International Milling Co. for the year ended Aug. 31, 1934, from the average run of milling companies reported recently. Net operating income after tax provision was $1,444,254 as compared with $1,169,095 for 1933 and after full dividends on the seven and six per cent preferred stocks and $425,000 on the common, an increase of $25,000 over the previous year, there was a surplus of $740,867 as against $485,952.

No Export Worry

This change from the reports of the purely Canadian companies this year is explained almost entirely, it is understood, to the fact that this company while owning three mills in the Western Provinces, also conducts a great deal larger business in United States and is therefore not worried over an export flour market.

Owing to the continued rise in the foreign exchange value of the Canadian dollar during the year the company brought $112,222 into surplus from the reserve for Canadian exchange—on the net current assets of Canadian subsidiaries. It also brought forward $15,094 representing discount on preferred stock retired. After payment of dividends on the preferred and common stocks and an appropriation of $100,000 pension reserve the surplus account was increased from $7,450,108 in 1933 to $8,218,291 in 1934.

Consolidated Income and Surplus Account Years Ended August 31

	1934 $	1933 $
Net profit	1,444,254	1,169,095
Less appropriations:		
7% pref. divids.	227,699	231,518
6% pref. divids.	50,688	51,625
Common divids.	425,000	400,000
Surplus for year	940,867	485,952
Add: Prev. surplus ...	7,450,108	6,824,059
Disc. on pref.	15,094	24,834
Trans. from exch. res.	112,222	215,263
Less: Pension res. approp.	100,000	100,000
Balance forward	8,218,291	7,450,108

Current assets of the company increased from $13,163,881 in 1933 to $15,187,990 and working capital from $6,879,117 to $8,171,984. Of the assets there was a substantial improvement of cash from $902,258 to $1,197,931 and a very sharp rise in the accounts receivable from $1,890,423 in 1933 to $2,851,935. Advances on grain in transit showed little change and inventory of $10,973,554 was up about $800,000 from the previous year.

WORKING CAPITAL

	1934 $	1933 $
Current assets	15,187,990	13,163,881
Current liabilities ..	7,016,006	6,284,117
Working capital	8,171,984	6,879,764
Ratio	2.16	2.09

In current liabilities the important change occurred in notes payable which rose from $3,980,427 in 1933 to $4,946,500 in 1934. Accounts payable were down slightly to $1,181,097, taxes up over $50,000 to $752,075, accrued commissions down about $40,000 to $66,711, accrued dividends on preferred stock, since paid, about the same at $69,624 while last year's reserve of $186,869 for Canadian exchange does not appear in the 1934 report.

Gaby Appointed to C.P.R. Position

From Our Own Correspondent

MONTREAL.—Frederick A. Gaby, well known for many years as chief engineer of the Ontario Hydro-Electric Power Commission, has been appointed assistant to the president of the Canadian Pacific Railway, with headquarters at Toronto.

Mr. Gaby's new duties will be principally of two forms. He will have direct charge of the investigation of forms of competition and the policies of the company in respect thereto, as well as the co-operative efforts made jointly with the Canadian National Railways to increase economies. He will also assume the position of vice-president of the Seignory Club Community Association of Montebello. He succeeds Hon. Charles Dunning, who has resigned to take over the position of president of the Maple Leaf Milling Co.

D. L. SMITH PLAN TO SELL IN LONDON PRIVATE VENTURE

Will Have Wheat Pools and Private Sellers as Clients

From Our Own Correspondent

WINNIPEG.—A great deal of interest was created by the announcement by D. L. Smith that he was leaving for England to open offices for the sale of Canadian grain and that he was to have as clients the wheat pools of Alberta and Saskatchewan as well as some private firms. Mr. Smith, at one time sales manager for the pool central selling agency, was later London representative. When Mr. John McFarland became general manager of the pool selling agency practically his first step was to close the overseas offices of the pool, including that conducted by Mr. Smith.

Mr. McFarland let it be known that he agreed with criticism that had been made of the former pool policy of attempting to sell grain direct to overseas millers instead of making use of regular trade channels, which policy it was generally believed had resulted in antagonizing a large part of the trade and in diverting their attention from the sale of Canadian grain to the sale of that from other countries.

Defend Position

The Saskatchewan pool officials have frequently made it known that they considered their former policy right, and have indicated a great deal of resentment against the action of Mr. McFarland in closing the offices in question, as well as an intention to follow former procedure should the opportunity arise.

Consequently there was wonder whether or not the pools, which are still in nominal control of the institution headed by Mr. McFarland, were going to indulge in a gesture of defiance by resuming old practices. No such implication appears to be justified, for at the head offices of the Alberta and Saskatchewan Pools it has been publicly stated that Mr. Smith is conducting a private venture and is not to be regarded as part of the pool organization, and Mr. Smith's announcement was also to the same effect.

Former Objections Out

In any event it is presumed that objections to former procedure would not lie against a Canadian organization having offices on both sides of the Atlantic if business were conducted along ordinary lines. The root of former objections lay largely in the fact that the pool, not hedging its grain, and able to pass any losses back to the membership, might offer grain at prices under current market values if it chose to do so.

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Insurance for Buyer and Seller

LLOYD'S REQUEST FOR ONT. LICENSE REMAINS ON FILE

Prominent Liberals Retained as Counsel For Opponents

Negotiations which have been going on between Lloyd's of London and the attorney-general of Ontario in an endeavor to agree upon a form of application for licensing in the province (The Financial Post, Sept. 15, 1934) have not yet reached the point where such application has been officially made, The Financial Post learns. It is understood that a report on the group has been made by the department of insurance, that both the tariff associations and Lloyd's have retained counsel to argue their cases, and that there the matter rests at present.

W. R. P. Parker, vice-president of the Ontario Liberal Association and chairman of that body's management committee, is acting for the All-Canada Fire Federation while Arthur G. Slaght, K.C., has been retained as counsel for Lloyd's. The Financial Post understands. It is stated that no action will be taken by the attorney-general or the department of insurance to license Lloyd's until the case of the tariff companies against such registration has been heard.

Secrecy Continues

Meanwhile, the expected application for license in other Canadian provinces is held up until a decision has been reached in Ontario.

Great secrecy continues to prevail in insurance and government circles and it is not yet known just what terms Lloyd's are asking or those under which the Ontario Government would be willing to admit them. Opposition of presently licensed insurance companies will doubtless be governed in the arguments used by the terms of the proposed license.

When the proposal to license Lloyd's was before the Federal House, insurance companies objected vigorously on the following grounds: That Lloyd's would carry no assets in Canada specifically for the protection of Canadian policyholders; that the group as a whole never guarantees the obligations of a specific member; and that, as a group of underwriters and not a corporate body, Lloyd's is not taxable.

LOWER FIRE LOSS RECORDED IN ALTA.

Henry Brace Stresses Reduction More Than Offsets Premium Decline

That there was a reduction of $731,831 in the amount of fire insurance losses paid by insurance companies in Alberta in 1933 as compared with the previous year and that this reduction bears a resemblance to the reduction of $1,060,000 in total fire loss in the province, is stressed in the recently published annual report of Henry Brace, Alberta superintendent of insurance. There was a decrease of $681,264 in the amount of premiums written for fire and casualty lines as compared with 1932, while total losses were lower by $987,607.

Four companies holding Dominion licenses were granted provincial licenses during the year while 14 companies withdrew from the provinces. At the end of the year, there were 272 Dominion licensed companies operating in Alberta and 25 companies having provincial licenses. Of the total, 175 wrote fire insurance only, while a large proportion of the remainder wrote fire insurance in addition to other classes.

The companies with Dominion licenses admitted to Alberta during 1933 were:

Urbaine Fire of Paris; London & Prov. Marine & General; National Surety Corp.; Pearl Underwriters' Agency.

Those companies which withdrew from the provinces were:

National Surety Co. of N.Y.; Globe & Rutgers; Globe Underwriters' Agency; Standard Life; Workmen's Circle; Insurance Co. of Penn.; Empire Life; Home Indemnity of N. Y.; United States Fire; Br. Colonial Fire; Laurentian Underwriters of Br. Colonial Fire; British Underwriters' Agency; Southern Insurance Co.; and Providence Underwriters of the Providence Washington.

FALSE ECONOMY

Why do so many men of high standing in professional, business and financial callings appoint a trust company to act as Executor of their estates? Because they know that it is false economy to try to save executor's fees by appointing a friend or a member of the family to this responsible position.

They know that in their own businesses they would never save money by replacing experienced department heads with inexperienced men, and they know that the mistakes of an inexperienced executor may cost an estate large sums of money.

* * *

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International Meet Told Of Canada's Life "Code"

J. G. Parker Explains Progress Made By Life Companies in Controlling Agency Problems to International Body

Details of the informal "code" whereby life insurance companies in Canada have attempted to eradicate major abuses affecting its nationwide agency force, were disclosed this week in Chicago by J. G. Parker, actuary of the Imperial Life Association.

Speaking before the joint meeting of the Sales Research Bureau and the Association of Life Agency officers, at their annual meeting, Mr. Parker outlined the work of the Canadian Joint Committee (of which he is chairman) and which since 1925 has acted in the important capacity of "liason body" representing the official organizations of life underwriters, agency officers and company executives.

Two Major Problems

Two major problems tackled in recent years by the committee were the matter of "twisting" and the pressing problem of overcrowding in the life agency field. A partial solution of the former was proposed by the joint committee and to use Mr. Parker's words: "met with the approbation of the companies and underwriters and is, I am happy to say, meeting with some success in curbing the practice so detrimental to the life insurance business."

The general plan for elimination of "twisting" as outlined by Mr. Parker called for a combined effort on the part of companies to:

1. Educate policyholders.
2. Educate agents by means of a personal letter from company general managers to their agents stating the position the company took and stating that no agent would be continued in its employ who carried on such practice.
3. By inclusion in application forms of a clause question asking about the dropping of insurance in other companies, and by a similar question in the agent's form.
4. By having companies against whom complaints are made, concentrate first on conserving the original policy and later in taking steps to ascertain in the guilt or innocence of their own agent.

Two Objectives to Cull Unfit

With respect to overcrowding in the agency field, Mr. Parker pointed out that efforts had been concentrated on two objectives. 1. the elimination of more men at the time of their selection. 2. the elimination of men who had not proven in their first two years their ability to earn a livelihood in the business.

"I feel," said Mr. Parker, "that the agreement has done a very great deal to eradicate from the minds of the life underwriters the feeling that the life insurance companies were willing to take any man no matter whom he might be into the life insurance business. We are, therefore, very hopeful in Canada that the agreement which has been reached will definitely improve our agency selection, gradually securing a better and more thoroughly trained class of representatives and eliminating from our ranks the 'hanger on' or the man who is not making a living out of life insurance."

Verbal Agreement

Highlights of the "agreement" which was assented to verbally by managers of leading companies at a special meeting held in Toronto last December and subsequently endorsed by many other companies, were outlined by Mr. Parker as follows:

1. Special care in the selection of agents in respect of (a) character and reputation; (b) education; (c) continuity of employment (d) financial responsibility. On the latter point it was agreed that no applicant should be accepted as a life insurance agent who could not be bonded by a recognized bonding corporation. Companies were agreed in their refusal to consider men who could only secure a private bond or similar type of security.

2. In respect of agents who after two years had proven their inability to earn a livelihood at the business, Mr. Parker outlined the terms of the agreement as covering a definite course of education of agents by companies along prescribed lines, and secondly a minimum production record of $20,000 of new paid for business the first year and $30,000 the second year. Only exceptions were men who in the opinion of the superintendent of insurance were entitled to special consideration.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Great West - London

As a subscriber to your paper, I would appreciate an expression of opinion as to the financial position of the Great West Life Insurance and the London Life Insurance Company.

The reason for my enquiry is that an annuity for a substantial amount is under consideration and I would like any information you are in a position to give me.

Both the Great West Life and the London Life rank as leading life insurance institutions in Canada. They both confine their activities almost entirely to the Canadian field and operate on a Dominion-wide basis.

The Great West Life began business in Canada in 1892 and latest available figures show it to have total assets of $135,000,000 with approximately $550,000,000 of gross insurance in force. It confines its activities to the writing of ordinary life insurance and group life insurance. Of its total assets about 35 per cent are invested in bonds; 35 per cent in mortgages and 22 per cent in policy loans. On the basis of values authorized by the Federal Insurance Department it shows a free surplus over and above all liabilities (including capital stock) of $2,200,000. In addition, it has a contingent reserve of $3,000,000. Its reserves to meet policyholder liabilities are approximately $108,000,000.

London Life Insurance Co. has been doing business in Canada since 1874; has total assets of $84,000,000 and gross business in force of $477,000,000. Of this latter total approximately $151,000,000 is in industrial insurance, a type of business not carried on by Great West Life. An analysis of its assets shows approximately 27 per cent invested in bonds, 54 per cent in mortgages and 14 per cent in policy loans. Policyholders' surplus exclusive of capital stock is approximately $3,350,000 (that is on the basis of values authorized by the Federal Insurance Department) with an additional investment reserve of $2,600,000. Its policy reserves total approximately $66,000,000.

It is not our policy to discriminate as to the respective merits of life insurance companies, but the fact that these two concerns are in the front rank of Canadian companies is in itself an excellent indication of the regard in which they are held in Canada.

Insurance Inklings

ROBERT A. REYNOLDS, for over fifty years agent for the Hartford Fire in Windsor, died on Oct. 21.

MILES G. WALKER, North American Life, was recently appointed assistant manager of Montreal Uptown branch.

Con. Bakeries Declares 20 Cents Per Share Div.

Consolidated Bakeries has declared a dividend of 20 cents per share payable on Jan. 2, 1935, to shareholders of record on Dec. 15, 1934. The last dividend on this stock was 25 cents paid April 3, 1934.

Though conditions in the baking industry are still reported far from satisfactory this company is understood to be doing better than in 1933 when net earnings were $251,847 as compared with $249,716 for the year ended Dec. 31, 1932.

London Life Nears Half Billion Mark

London Life Insurance Co. reports an increase in group life insurance in force, of $1,800,000 as compared to last year. In addition "substantial progress" has been made in the group sickness and accident coverage, it is reported.

In total business the company is nearing the half billion dollar mark having announced total business in force at Oct. 1 to have been $494,500,000. This is an increase of $17,700,000 in the first nine months of 1934.

URGES RATING TO CONSERVE LIFE POLICIES

Lower First Year Commissions Also Suggested to Aid Conservation

The time is coming when life insurance policies will be written and selected with a view to their persistency just as at present they are selected with a view to their mortality, in the view of Eustace A. Brock, secretary of the Great West Life Assurance Co.

"It is illogical" said Mr. Brock before the annual meeting of the Life Insurance Sales Research Bureau at Chicago this week, "to reject or rate risks we know to be unprofitable because of physical impairment and yet accept those we know to be unprofitable because of poor staying power. No company would deliberately accept impaired lives and then spend money in an effort to improve their longevity; yet that is precisely what we are doing with this other class of unprofitable risks."

Cut First Year Commissions

Drastic changes in the paying of life insurance agents were also suggested by Mr. Brock as an aid to the problem of conservation. He questioned whether it would not be better to pay 25 per cent first year commissions instead of 50 or 60 per cent, with a second year payment of 25 per cent and perhaps 20 per cent the third year, the scale having a present value equal to or slightly greater the present value of current scales. "This would result in larger incomes to agents with persistent business and smaller incomes to others. He suggested also a higher rate of commissions to those types of business which were known to persist better.

Two Objections

"The two chief objections are the transition over from present contracts and the need to provide a living wage to new agents; but if it is true that the cost of inducting a new agent into the business is over $400; and if it is true, that the companies are now spending a huge amount in commissions for unprofitable business, it seems to me that that money could be more profitably used in meeting the initial expenses of introducing some such new plan. I have the feeling that along that road lies the solution of the problem."

New Figures Urged

Criticism was also made of the present method of publishing sales record figures of life insurance companies both among agency forces and in the insurance press. Mr. Brock urged that the Sales Research Bureau take the lead in devising a plan so that sales reports would give prominence to the increase in business in force rather than to sales of new business. "If we could get the idea of volume out of our minds and study the subject of quality, volume would take care of itself" he said. "New business, of course, is essential, but large sales are so much waste effort unless the business persists. The true index of the company's progress is not the volume of sales but the increase of business in force."

Two Companies Compared

Mr. Brock referred to figures prepared some time ago by C. C. Ferguson general manager of the Great West Life in which the comparative position of two identical companies was tabulated on the assumption that one company had a good lapse rate and the other a poor one.

Each company was assumed to have written the same amount of new business for twenty years commencing with $750,000 in the first year and increasing to $10,000,000 in the twentieth. Other conditions also were assumed to be the same except the lapse rate. In one case a first year lapse rate of 10 per cent grading down to ½ per cent was assumed and in the other a first year rate of 30 per cent grading down to one per cent. The difference, though considerable, is not greater than is found in practice.

"At the end of twenty years company "A" with the more favorable lapse rate had $67,000,000 of business in force while company "B" had under $50,000,000, company "A" figures being 34 per cent greater. Similar divergences were shown when the financial positions of the two companies were compared. Company "A" assets amounted to over $12,000,000; company "B" were $8,000,000. The surplus of company "A" was over $2,600,000 while company "B" had only $1,500,000. The magnitude of these differences illustrates in a striking manner the serious loss in prestige and impairment in financial standing which can arise solely from a failure to conserve business."

Urge Separate Department

He urged also that since conservation was a "permeating" function of the life insurance business in that it ran through all the activities of the company, this department should not be a subordinate part of the agency department. "It should be a separate unit headed by an executive officer. It need not be a large unit. Its primary function should be to study, to create, to develop and to observe."

Careless Smokers Leading Cause Of Fires In 1933

Although the recorded property loss from fires originating from smokers' carelessness amounted to only 6 per cent of total loss in 1933 and 12 per cent of loss from known causes, the number of fires from this cause amounted to almost 30 per cent of known causes and more than 20 per cent of all fires. The fact that the number of these fires has grown in a decade from 2,500 to almost 10,000 makes the problem alarming to fire insurance and protection authorities in the Dominion.

Faulty heating and lighting apparatus is the next most important cause of fires in Canada. In 1933, over 13,000 fires were traced to defective stoves, furnaces, chimneys, flues and poor electrical defects and appliances. Furthermore, losses from these types of fires were more than $7,000,000 or nearly 50 per cent of the loss from fires of known origin.

Origin of Fires in Canada, 1933

Causes Reported	Number of Fires	Property Loss $
Smokers' carelessness	9,957	1,848,227
Stoves, furnaces	6,206	3,340,482
Electrical defects	4,425	2,477,419
Defective chimneys & flues	2,629	1,482,184
Sparks on roofs	2,595	1,063,237
Hot ashes and coals	1,426	198,824
Lightning	1,378	796,868
Exposure	1,264	1,167,235
Petroleum products	1,113	737,836
Portable lamps	994	181,767
Hot grease	496	83,392
Misc. special hazards	454	207,218
Incendiary	435	912,730
Open fires	407	69,446
Spontaneous combustion	382	513,984
Gas	341	83,654
Explosions	306	249,420
Friction — mechanical	103	171,801
Fireworks	97	14,640
Steam & hot water pipes	64	19,825
Hot or molten metal	23	4,521
Unknown causes	11,071	17,051,604
Total	46,166	32,676,314

Lower Insurance Seen For Hudson Bay Ships

Further reduction in marine insurance rates on vessels using the Hudson Bay route seems assured as a result of the successful season of 1934, according to the Winnipeg Free Press. It is pointed out that the Imperial Shipping Committee, in its last report, stated that "if a considerable number of vessels use the route in 1934 and there is no serious loss, the committee is prepared to give favorable consideration to the question of a further reduction in rates of premium."

During the season just closed, fifteen vessels used the route for commercial purposes without loss. Rates would have already been reduced had it not been for the loss of the "Bright Fan" which took place in 1932, the Free Press states.

Fire Underwriters Close Ottawa Branch Office

Canadian Fire Underwriters Association recently closed its Ottawa office, W. L. Elworthy, manager, being released.

All investigation in the Ottawa district will, in future, be carried on either from Montreal or Toronto.

London Life Shows Gain In New Group Business

London Life Insurance Co. reports an increase in group life insurance in force, of $1,800,000 as compared to last year. In addition "substantial progress" has been made in the group sickness and accident coverage, it is reported.

Formed in 1919 this branch of the company's business has now over $36,000,000 of insurance in force.

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Ontario Plans Self Insurance Of Fire Risks

With the exception of the policy covering the main building at Queen's Park, Toronto, all fire insurance coverage of the Ontario provincial government will be cancelled when present policies lapse, it would appear from a statement made last week by Premier Hepburn. In their place, the province will build up a fire loss reserve fund and, when this is sufficient to take care of the risk of the main building, the latter will also be included in the scheme.

Contracts which will eventually be cancelled cost the province $261,000 annually, according to the Premier. In place of this expenditure an annual amount of between $100,000 and $150,000 will be set aside in a sinking fund. Until complete details of the plan are available at a later date it is not known just what the annual saving will be.

In announcing the new government plan, Premier Hepburn stated that the Dominion government and two-thirds of the U.S.A. state governments carried their own insurance. Practically all of the province's buildings are patrolled and guarded and the only appreciable fire risk was that in the main building at Queen's Park, he added. The new East Block is not insured and the majority of Ontario hospitals are in the same position.

Toronto Student Wins American Institute Prize

Esther W. Temple, Toronto, was named winner of the institute prize in the casualty section of Insurance Institute of America degree course, it was announced at the annual meeting of that body held recently in New York.

William J. Graham, vice-president of the Equitable Life was elected president of the institute.

COSMOS IMPERIAL PRESENT BUSINESS WELL AHEAD 1933

Improvement in All Lines Indicates Further Arrears Payment

Business of Cosmos Imperial Mills is understood to be running fairly well ahead of last year when the full preferred dividends of $7 per share were covered for the first time since 1930. Net earnings for the year ended December 31, 1933, amounted to $116,026 as against $51,442 in the previous year and $94,195 in 1931. Earnings per share on the preferred stock in 1933 equalled $7.53.

Arrears Reduced

While The Financial Post is informed that the question of further arrears in dividends has not been discussed, it is anticipated that following a reduction in these in May and August, a further payment may be expected this month. In 1932 payment of dividends was halved but beginning with this year, following steady improvement in business, the company began paying arrears. These have now been reduced to $2.62½ per share.

It is understood that the improvement in business this year includes practically all lines of the company which manufactures heavier grades of cotton duck used in ship sails, tarpaulins, belting, hose, railway car roofs, tents and awnings. The increased demand for such, largely industrial products, is interpreted as indication of general business revival.

PERSONAL FINANCES THEME OF SOCIETY

Financial Time Table Aids in Savings Plans of Individual

Around the theme that one's personal finances should be run on a definite schedule or time table in the same way that a railroad train is operated, if one is going to reach the destination "Independence" at the end of the run, the American Provident Society is doing good work on this continent in carrying on educational work on the lines of teaching personal economics.

Latest publication of this society is called "The Financial Time Table," prepared by Charles M. de Forest, managing director of the Society. With a minimum of introductory remarks, it lays out in graphical and figurative form the means whereby one can test one's financial age to see if at any moment between the age of six months and 65 years you are running ahead, abreast or behind the financial time table you must follow to achieve financial independence in the later years of your life.

Another book published by the society which has a particular appeal to life insurance men is called "Are You as Old Financially as in Years?" prepared in collaboration with Dr. S. S. Huebner, Professor of Insurance and Commerce at the University of Pennsylvania, this 80-page book elaborates on the central theme and shows fundamental place which life insurance should and must play in the financial plans of the average individual.

American Provident Society has already a membership in Canada, and is looking forward to development of a programme in this country probably under the title Canadian Provident Society.

Publications can be obtained from the Society at 51 Madison Ave., New York City, the former "The Financial Time Table" being procurable at 25 cents, and the larger book at 56 cents.

Public Benefactors

The man who leaves money to endow an orphanage is looked upon as a public benefactor, and rightly so.

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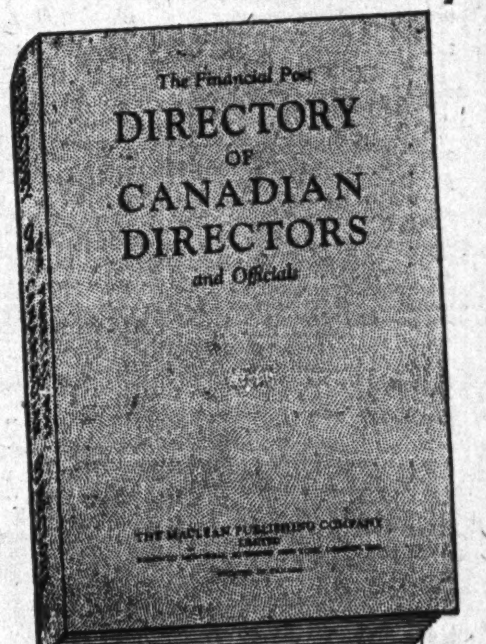

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Every Canadian Director — to give all the business connections of other directors with whom a director must meet from time to time.

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Manufacturing Firms—this list is a cross section of the men of wealth in Canada—men who live in fine homes, drive expensive cars, travel and have the means to gratify their tastes. These men not only have a high standard of living but have huge purchasing power for the companies they direct.

NEW 1934-5 EDITION

THE FINANCIAL POST has revised the DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS — a book containing about 6,000 names of Canadian directors and company officials. It is an invaluable reference and list for various types of businesses. This book gives leading men all the connections of other leaders whom they are meeting.

In it the Directors of public Canadian companies are alphabetically listed, with their name, initials, business address, home address in most cases, and a list of the companies with which each is associated. Officials, such as vice-presidents, general managers, secretary-treasurers, who are not sitting on the board of directors, are also listed with their name, initials, position occupied and business address. The type is large and all names are self-indexed alphabetically.

Included are the members of the Federal Cabinet, the Board of Grain Commissioners of Canada, the Canadian Bankers' Association, Winnipeg Grain Exchange, Railway Board, Ontario Hydro-Electric Commission, Provincial Liquor Commissions, Stock Exchanges, and the directors of Publishing Houses, Newspapers, Trust and Loan Companies and Insurance Companies.

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Hudson Motors Sales Show Large Increase

Hudson Motors of Canada announces that sales in the first eight months of 1934 show an increase of 148.5 per cent over the entire 1933 total.

This increase, it is pointed out, is three times as rapid as that for the entire automotive industry in Canada during the same period.

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REPORT and STATEMENT

To the Shareholders of
MacKINNON STEEL CORPORATION, LIMITED

Your Directors submit the report of the Company together with Balance Sheet and Profit and Loss Account for the twelve months period ended July 31st, 1934.

The Company's plant and equipment have been maintained in good condition during the year.

Manufacturing supplies on hand are suitable for the Company's requirements and the inventories have been valued at cost or market price, whichever was lower.

The Company's books have been audited and the certificate of Messrs. Price, Waterhouse and Company the Company's Auditors, appears in the financial statement.

While the Company's operations were very much restricted during the twelve months, there was sufficient improvement in business to reduce the operating loss from $25,073.45 last year to $2,327.34 this year

Unfilled orders at the end of the year appeared to indicate some improvement in business for the coming year.

The Company continues to maintain a strong liquid position.

Appreciation of loyalty and efficiency of the Company's officers and employees is expressed

By order of the Board of Directors

(Signed) D. H. McDOUGALL, President

Montreal, October 9th, 1934.

COMPARATIVE BALANCE SHEET
July 31, 1933 and July 31, 1934

ASSETS

	July 31, 1933	July 31, 1934
Current Assets:		
Inventories of Raw Materials, Supplies and Work in Process, at cost or market, whichever was lower, less Reserve	$ 18,318.51	$ 23,852.67
Accounts Receivable	13,877.25	65,574.67
Cash on hand and Call Loan	146,384.08	102,837.89
Province of Quebec Bonds, at cost (Market value $20,800.00)	19,550.00	19,550.00
	$198,129.84	$211,815.23
Deferred Payments Receivable on Land Sold: (Receivable in annual instalments over seven years with interest at six per cent)	8,000.00	7,000.00
Prepaid Taxes and Insurance	954.32	164.13
Property Assets: Land, Buildings, Plant and Machinery, at cost	453,811.28	453,811.28
	$660,895.44	$672,790.64

LIABILITIES

	July 31, 1933	July 31, 1934
Current Liabilities: Accounts Payable	$ 2,456.59	$ 16,679.13
Reserves: For Depreciation	$ 86,000.00	$ 96,000.00
For Preferred Stock Redemption	4,346.87	4,346.87
	$ 90,346.87	$100,346.87
Preferred Stock: 7% Cumulative Redeemable Convertible Sinking Fund First Preferred Stock, Redeemable at 110 on 30 days' notice: Authorized—10,000 Shares of $100.00 each. $1,000,000.00		
Issued — 6,000 Shares of $100.00 each.	600,000.00	$600,000.00
Less: Redeemed and Cancelled	125,000.00	125,000.00
	$475,000.00	$475,000.00
Common Stock and Surplus: Capital Surplus— Balance at July 31, 1933	$ 77,247.61	$ 77,247.61
Surplus arising from Redemption of Preferred Stock at a Discount	$ 23,988.75	$ 23,988.75
Less: Transferred to Reserve for Depreciation	12,000.00	22,000.00
	11,988.75	1,988.75
	$ 89,236.36	$ 79,236.36
Profit and Loss, Balance as per statement attached	3,855.62	1,528.28
	$ 93,091.98	$ 80,764.64
Represented by 12,000 Common Shares without nominal or par value, out of a total authorized issue of 40,000 shares.		
NOTICE:—9,500 of the unissued shares are applicable to the conversion of the outstanding Preferred Stock. Dividends on Preferred Stock are in arrears to the extent of $11.37½ per share.		
	$660,895.44	$672,790.64

D. H. McDOUGALL, Director.
J. L. McSweeney, Director.

AUDITORS' REPORT

To the Shareholders:

We have made an examination of the books and accounts of MacKinnon Steel Corporation Limited for the year ending July 31st, 1934, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet at July 31, 1934, is properly drawn up so as to exhibit the true financial position of the Company according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO., Auditors.

Montreal, October 9th, 1934.

COMPARATIVE STATEMENT OF PROFIT AND LOSS AND SURPLUS
For the Years Ended July 31, 1933 and 1934

	Year ended July 31, 1933	Year ended July 31, 1934
Loss from operations	$ 25,073.45	$ 2,252.34
Less: Income from Investments	——	850.00
		$ 1,402.34
Add: Directors' Fees		925.00
Loss for the Year	$ 25,073.45	2,327.34
Balance of Profits from previous year	42,054.07	3,855.62
	$ 16,980.62	$ 1,528.28
Deduct: Dividends Paid on Preferred Stock	13,125.00	—
	$ 3,855.62	$ 1,528.28

NOTE:—Depreciation provided for by transfer of $12,000.00 and $10,000.00 for 1933 and 1934 respectively, from surplus arising from redemption of Preferred Stock at a discount.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 29

Range 1934 High	Range 1934 Low	Divd. Rate in $	Y'ld in % Oct. 27		Sales	Close Oct. 22 (or last)	Week Ending Oct. 29 High	Low	Close
				A					
2.50	.75	.	...	Abitibi	620	.95	1.05	.75	.75
10½	3½	.	...	Do. pref. 6%	130	3½	4	4	4
7½	2	.	...	Do. cert. dep.	110	3	3½	3	3
3	3	.	...	Acme Glove	....	3	..	..	..
25½	25	3.25	...	Do. pref.	....	25	..	..	..
8½	5½	20c	...	Agnew Surp.	....	7½	..	..	..
90	72	7	7.8	Do. pref.	5	89	90	90	90
7	3	.	...	Alta. Pac. Gr.	5	3	3	3	3
23	14½	.	...	Do. pref.	35	*15½	16	14½	16
2½	1½	.	...	Amal. Electric	....	1½	..	..	..
15	10	.	...	Do. pref.	70	15	15	15	15
15½	15½	.	...	Amer. Cyn. B.	30	15½	15½	15½	15½
x3½	3½	.	...	Anglo. N. Hold.					
13½	5	.	...	Asbestos, v. t.	403	5½	6	6	6
13	9½	25c	.	Assoc. Brew.	378	11½	12	11½	11½
100½	85	7	7	Do. pref.	10	97	100½	100½	100½
4½	3	.	...	Assoc. Can.	....	3	..	..	..
				B					
145	125	8	6.4	Bk. Can. Nat.	60	125	126	125	125
203	167	8	4	Bk. Montreal	163	201	203	200	201
278	247	12	4.5	Bk. N. Scotia	48	266	265	265	265
214	161½	10	4.7	Bk. Toronto	253	211	214	213	214
16½	15	50c	...	Barcelona	....	15	..	..	..
8½	3		...	Bathurst Pr.	170	4	4½	4	4
3.50	.75	.	...	Do. (B)	5	1.25	1.10	1.10	1.10
1½	1	.	...	Bawlf Grain	....	1	..	..	..
18½	7	.	...	Do. pref.	....	18	..	..	..
				I					
187	141	10	5.4	Imperial Bank	45	184	187	185	187
16	12½	50+15c	4.1	Imperial Oil	16907	15½	16	15½	15½
14	10½	52½c	4.3	Imperial Tob.	1156	12	12	11½	11½
17½	14	.	...	Inter. City Bak.	....	17	..	..	..
15½	15	4	...	Inter'c'l Coal	....	15½	..	..	..
100	100	8	8	Do. pref.	2	100	100	100	100
b9½	3½	.	...	Int. Hyd. E. A.	3000	3½	3½	3½	3½
5	3½	.	...	Int. Metal Ind.	350	4	3½	3½	3½
40	40	.	...	Do. pref.	5	40	40	40	40
110½	99	7	6.5	Inter. Mill., pf.	10	105	107	107	107
99	94	6	6.3	Do. Series A	....	94½	..	..	..
29	21½	15c	...	Inter. Nickel	23008	24	24½	22½	23
5	3	.	...	Inter. Paints	....	4	..	..	..
b6½	2	.	...	Int. Pa. & P. A	500	2½	2½	2½	2½
b3½	1½	.	...	Do. (B)	400	1½	1½	1½	1½
b2½	½	.	...	Do. (C)	800	1	1	½	½
b24½	8½	.	...	Do. pref.	2005	10½	11½	9½	9½
30½	19½	1.56	5.4	Inter. Pete.	8289	29½	29½	28½	28½
4	2	.	...	Inter. Power	10	3½	3½	3½	3½
28½	14	.	...	Do. pref.	185	24½	26	24	26
13½	13	.	...	Inter. St. Rly. A	....	13	..	..	..
2½	2½	.	...	Do. (B)	....	2½	..	..	..
6½	2	.	...	Inter. Util. (A)	400	2	2½	2½	2½
1.50	.45	.	...	Do. (B)	175	.45	.50	.45	.45
				J					
†40	40	1	...	Jam. Pub. Ser.					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Active Corporation Bonds
(Furnished by Royal Securities Corp., Toronto)
October 30, 1934

Public Utility Issues:	Int. Rate	Due	Bid Oct. 30	Asked Oct. 30	Bid Oct. 23
Beauharnois L. H. & Power	5½%	1973	100	101	100
Beauharnois Power Corp.	6%	1959	70	...	68½
Beauharnois Power Corp.	5%	1973	55½	57	57
Bell Telephone	5%	1955	108	109½	108½
Bell Telephone	5%	1957	108½	110	108½
B. C. Power	5%	1960	98½	100	98½
B. C. Power	5½%	1960	103	104	103
B. C. Telephone	5%	1960	101½	103	102
Calgary Power	5%	1960	96	98	96
Calgary Power	5%	1964	94	96	94½
Canada Northern Power	5%	1953	95	97	95½
Cedars Rapids Mfg. & Power	5%	1953	109½	111	109½
Dominion Gas & Electric	6½%	1945	60½	62½	61½
Duke-Price Power	6%	1966	90	92	91
Gatineau Power	5%	1956	93	95	93½
Gatineau Power	6%A	1941	90½	92	91
Gatineau Power	6%B	1941	88½	90½	89
International Hydro-Electric	6%	1944	44½	46½	47
Jamaica Public Service	5%	1950	99	100½	99
Maclaren-Quebec Power	5½%	1961	99½	100½	100
Manitoba Power	5½%	1951	54	56	54
Montreal Island Power	5½%	1957	101½	103	102
Montreal L. H. & Power	5%	1951	106½	107½	106½
Montreal L. H. & Power	5%	1970	107	108	107
Montreal Public Service	5%	1942	104	105½	104½
Montreal Tramways	5%	1955	75½	77½	75½
Montreal Tramways	4½%	1955	68½	70	68
Montreal Tramways	5%	1941	98	100	98½
National Light & Power	6%	1949	81½	84½	82
N. B. Power	5%	1937	69	71	69
Northwestern Utilities	7%	1938	101	103	100
N. S. Light & Power	5%	1958	96½	99	97½
Ottawa Light, Heat & Power	5%	1957	103½	105	103½
Ottawa Valley Power	5½%	1970	104½	106	105
Power Corp.	4½%	1959	82½	84½	83
Provincial Light & Power	5%	1946	104	106	104½
Quebec Power	5%	1968	100½	102½	101½
Rio de Janeiro T. L. & Power	5%	1935	99½	100½	99½
Shawinigan Water & Power	6%	1937	101½	103	101½
Shawinigan Water & Power	4½%	1970	93½	95	93½
Shawinigan Water & Power	5%	1970	100½	102½	101
Southern Canada Power	5%	1955	102	103½	102
United Securities	5½%	1952	69	71½	72
West Kootenay Power	5%	1956	105	106½	105
Western Power Co.	5%	1949	104	105½	104
Winnipeg Electric	5%	1935	95	96½	94½
Winnipeg Electric	6%	1954	54	56	55
Industrial and Realty Issues:					
Abitibi Power & Paper	5%	1953	26½	28½	30
Abitibi Pwr. & Paper C.O.D.'s	5%	1953	23½	25½	28½
Acadia Sugar	6%	1946	102½	103½	102½
Alberta Pacific Grain	6%	1946	81	83½	80½
Algoma Steel	5%	1962	14½	16½	15
American Sales Book	6%	1939	102	...	102
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	95	...	95
Balfour Building	6%	1934	38	...	38
Belding-Corticelli	5%	1936	103½	...	103½
Bloor-St. George Realty	7%	1946	46	...	46½
Booth Buildings	6½%	1937	99	...	98½
Brandram-Henderson	6%	1936	92½	...	92½
British American Oil	5%	1945	104½	105½	104½
British Columbia Pulp & Paper	6%	1950	66½	68½	66
Burns & Co.	5½%	1948	31½	34	31½
Canada Biscuit	6½%	1946	17	19	17½
Canada Bread	6%	1941	98½	100½	98½
Canada Cement	5%	1947	96½	98	96½
Canada Paper	6%	1945	90	...	90
Canada Steamship	5%	1943	93	...	92
Canada Steamship	6%	1941	24	26	25
Canadian Canners	6%	1950	104½	...	104½
Canadian Consolidated Felt	6%	1940	96	...	96
Canadian Copper Refiners	6%	1945	105	107	105½
Canadian Cottons	5%	1940	101½	...	101½
Canadian Goodrich	7%	1943	47	...	47
Canadian International Paper	6%	1949	64	66	66
C. P. R.	6%	1942	106½	108½	107½
C. P. R.	4½%	1944	94	95½	94
C. P. R.	5%	1954	98	99½	98
C. P. R.	4%	1949	91½	93	92½
Canadian Rail & H. Terminals	6½%	1951	23½	25½	25
Canadian Vickers	6%	1947	60	63	59½
Consolidated Investment	4½%	1959	74½	...	75
Consolidated Paper	5½%	1961	14	16	16
Cosmos Imperial Mills	6½%	1944	102½	...	102
Debenture & Security	4%	1936	75½	...	75½
Dominion Canners	5%	1940	107	...	107
Dominion Square Corp.	5%	1948	50	52	49½
Dominion Tar	6%	1949	88	90	87½
Dominion Textile	6%	1949	107½	109	108½
Dominion Woollens & Worsteds (with stock)	6%	1948	30	32	31½
Eastern Dairies	6%	1949	68½	70½	69
Eaton T. Realty	5%	1949	100	101½	100
Famous Players	6%	1948	95	97	95
Famous Players	6½%	1948	80½	82½	80
Federal Grain	6%	1949	85	87	83½
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	37½	40	37
Galt Brass	7½%	1941	37	...	37
General Brock Hotel	6%	1948	31½	34½	31½
General Steel Wares	6%	1952	82	84½	84
Godfrey Realty	6%	1942	42	...	42
Great Lakes Paper	6%	1950	26½	28½	28
Gypsum, Lime & Alabastine	5½%	1948	77	79	79
Hamilton Cottons	5½%	1948	92½	...	92
Hamilton By-Products Coke	7%	1943	99	101½	99
Hinde & Dauch	5½%	1948	92	95	92
International P. & P. Nfld.	5%	1968	93	95	93
Inter City Baking	5½%	1948	86½	...	86
Lake St. John P. & P.	6½%	1942	16	19	17
London Can. Invest.	4½%	1948	75	77½	74½
London Realty	6%	1950	81½	84	81
Maple Leaf Milling	5½%	1949	40	43	42
Massey-Harris	5%	1947	69	71	70
McColl Frontenac	6%	1949	103½	104½	103½
McKinnon Industries	6½%	1945	103½	...	103½
Mercury Mills	5½%	1953	...	61	...
Metropolitan Building	7%	1944	100	...	100
Minnesota & Ontario Paper	6%	1945	13½	15½	15
Montreal Coke	5½%	1947	102	103½	102
Montreal Cottons	5%	1943	97	...	96
Montreal Dry Docks	6%	1948	45	48	48
Northern Electric	5%	1939	104	...	104
Northern Ontario Building	6½%	1939	97½	100	97
Ontario Building	6½%	1943	37	...	37
Penmans	5½%	1951	107½	...	106½
Price Bros. (Co'D.)	6%	1943	82	84	82½
Provincial Paper	5½%	1947	98½	100½	98½
Queen's Hotel	6%	1947	72	74	72
Reliance Grain	6%	1948	89	...	87
Restigouche Co.	5½%	1948	76½	78½	75
Richmond Bay Building	6½%	1947	88½	...	88½
Riordon Pulp & Paper	6%	1942	103	...	103
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	98½	100	98½
Ruddy & Co., E. L.	6½%	1948	71	74	69
St. Lawrence Flour	6%	1941	102	...	102
Shawinigan Cotton	6%	1949	91	...	91
Simpsons Ltd.	6%	1949	100	101½	100
Smith, Howard	5½%	1953	96	98	96
Steel Co. of Canada	6%	1940	108½	109½	108½
Stop & Shop	6%	1947	88½	...	88½
Toronto Carpet	6%	1944	99½	...	99½
United Amusement	6%	1942	89½	...	89½
United Corpns.	5%	1953	75½	77½	75
United Gas & Fuel	5½%	1948	89	91½	89½
United Grain Growers	5%	1948	87½	...	85½
Wabasso Cotton	6%	1947	99½	...	99½
Wabasso Cotton	7%	1942	100	...	100
Woods Mfg.	6%	1943	86	...	86

Winnipeg Stock Exchange
(Transactions from Oct. 22 to Oct. 27)

Div. rate in $	yield in %		Sales	High for period	Low for period	Close Oct. 27
..	..	Gold Lake	10,750	.60	.50	.55
..	..	Gabrielle	5,650	.75	.63	.68½
..	..	Island Lake	7,200	.08	.06½	.06½
..	..	Normandy	10	6.25	6.25	6.25
..	..	Kingfisher	600	.22	.22	.22
..	..	Manitoba Basin	1,000	.02½	.02½	.02½
..	..	Ore Grande	7,000	.11	.08	.11
..	..	Oxford Lake	465	3.00	2.75	2.75
..	..	Rice Lake, shs.	700	.14	.14	.14
6.50	..	Reliance Grain, pfd.	10	58.00	58.00	58.00
..	..	Vanson Manitoba	3,400	.30	.29	.30
..	..	Wingold	1,250	.34	.32	.34
1	..	United Grain	91	11.25	11.00	11.00

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, com.	.25	..
Beaver Lumber, c.	3	3½	Pelissiers, pref.	..	23
Beaver Lumber, p.		63	Sov. Life, 25% pd.	..	14
Canadian Fire	57	..	Traders' Bldg.	60	..
Great West Life	370	..	Can. Amer. Tr. sh.	2.45	2.70
Home Investment	25	..	Can. Inv. Fund	..	3.35
North Mtg. part pd.	..	5	Fundament. Ser. A	3.75	4.25
Northern Trust	..	15	Fundament. Ser. B	3.50	..
			Grouped Inc. shs.	..	3.85

*Stocks more active on other exchanges not included.

Dividends Declared

	Present Annual rate	Amt. this paym't	Date payable	Date of record
Acme Gas & Oil	...	2c	Nov. 15	Oct. 31
Bank Can. Nationale	$8	$2	Dec. 1	Nov. 15
Buffalo Ankerite, extra	...	3c	Nov. 15	Nov. 1
Bank of Montreal	$8	$2	Dec. 1	Oct. 31
Bank of Toronto	$10	$2.50	Dec. 1	Nov. 15
Canadian Oil Cos., c.	50c	12½c	Nov. 15	Nov. 1
Champlain Oil, pref.	60c	15c	Nov. 15	Oct. 31
Canada Iron, pref.	$3	$1.50	Nov. 15	Oct. 31
Can. Converters	$2	50c	Nov. 15	Oct. 31
Chase, A. W., pref.	$2	50c	Nov. 10	Oct. 31
Can. Bank of Commerce	$8	$2	Dec. 1	Oct. 31
Consolidated Bakeries	...	20c	Jan. 2	Dec. 15
Can. Foreign Inv., pref.	$8	$2	Jan. 1	Dec. 15
Can. Hydro-Elec., pref.	$6	$1.50	Dec. 1	Nov. 1
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Howey Gold	...	4c	Dec. 1	Oct. 31
Hollinger Gold Mines	65c	5c	Nov. 5	Oct. 19
Do., extra	...	5c	Nov. 5	Oct. 19
Kirkland Lake Gold	...	*3c	Dec. 1	Nov. 1
Langley's, pref.	$7	$1.75	Nov. 15	Oct. 31
Loblaw Groceterias, A & B	$1	25c	Dec. 1	Nov. 14
McIntyre-Porcupine Mines	$2	50c	Dec. 1	Nov. 1
Penmans	$3	75c	Nov. 15	Nov. 5
Reno Gold	...	*3c	Jan. 3	Nov. 30
Quebec Power	$1	25c	Nov. 15	Oct. 25
Royal Bank	$8	$2	Dec. 1	Oct. 31
Royalite Oil	..	75c	Nov. 23	Nov. 9
Southern Canada Power, com.	80c	20c	Nov. 15	Oct. 31
Shawinigan Water & Power	50c	12c	Nov. 15	Oct. 25
South Amer. Gold & Plat.	..	10c	Dec. 31	Dec. [illegible]
Toburn Gold Mines	8c	2c	Nov. 22	Oct. 26
Vancouver W. Drug, pref.	$3.25	81½c	Oct. 1	Sept. 27
Western Grocers, pref.	$7	$1.75	Oct. 15	Sept. 20

*Initial.

Unlisted Canadian Stocks
(Furnished by A. J. Pattison, Jr. & Co., Toronto)
October 30, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.80	3.00
Acadia Sugar pfd.	4.75	5.00
Allens London pfd. bonus com.	37.50	....
Allens St. Cath. pfd. bonus com.	37.00	....
Allens Toronto pfd. bonus com.	20.00	....
Andian National	38.00	38.50
Atlant. Sugar pfd.	91.50	93.00
B. C. P. & P. pfd.	12.25	15.00
Burns B	2.00	2.50
Can. Dom. Sugar	45.75	46.50
Can. Machy. com.	1.25	1.65
Can. Packers com.	39.00	39.75
Can. Packers pfd.	104.50	105.50
Can. Starch com.	12.50	....
Can. Starch pfd.	86.50	....
Canada Tea pfd.	46.00	55.00
Can. Wire & Cable pfd. WW	58.75	59.75
Can. Indust. A	177.00	....
Can. Indust. B	176.00	180.00
Can. Indust. pfd.	140.00	142.00
Can. Westinghouse	45.00	47.50
Chase pfd. bon. c.	24.00	25.00
Dom. F. & Steel c.	7.25	8.00
Dom. F. & Steel p.	65.50	70.00
Dom. Manuf. pfd.	71.50	....
Dom. Woollens c.	1.00	1.50
Dunlop Tire pfd.	67.00	71.00
Federal Grain c.	2.00	....
Federal Grain p.	24.50	26.00
For. Power Sec. p.	7.00	9.00
Freiman pfd.	56.00	60.00
Gen. Stl. Wares p.	28.00	29.00
Goderich Elevator	6.00	6.50
Greening Wire pf.	72.50	75.00
Guardian Realty p.	11.00	....
Guelph Carpet p.	89.50	91.00
Guelph Carpet c.	12.00	13.00
Harding Carpets Units	32.50	33.50
Hayes Wheels pfd.	...	8.00
Highland Dairy c.	3.50	4.00
Highland Dairy p.	68.50	71.50
Inter City Bak. c.	17.00	18.25
Int. Metl Indust. p.	30.00	34.00
Inter. Paints pfd.	13.75	15.00
Loew's London p.	3.85	4.15
Maclaren Pwr. c.	16.00	17.00
Mans. Theat. pfd.	26.25	28.00
Massey-Harris pfd.	17.25	18.00
Mercury Mills pfd.	8.00	....
Mt. Royal Hotel p.	1.50	2.00
Nat. Grocers com.	4.75	5.00
Nat. Grocers pfd.	115.50	120.00
New Method Laund. pfd.	49.00	....
Niag. W. Weav. pf.	37.00	....
Para. Kitchener p.	38.00	....
Para. Oshawa pfd.	47.50	52.00
Perfection Pet. pf.	14.00	16.00
Prov. Paper pfd.	86.00	88.50
Reliance Grain pf.	60.00	65.00
Rob. Cons. Cone	7.50	8.50
Rolland Paper c.	9.25	10.00
Rolland Paper pfd. WW	75.00	77.00
Ruddy pfd.	10.50	....
Standard Fuel pfd. bonus	96.25	....
Supersilk H. pfd.	53.00	....
Supertest Pet. B p.	24.00	25.75
Thayers com.	5.50	....
Thayers pfd.	36.50	38.00
United Grain	10.50	....
West. Grain p. bon.	7.00	8.00

Insurance Stocks:	Bid	Asked
British America	32.50	....
Canada Life	435.00	450.00
Canadian Fire	57.50	60.00
Confed. Life 20% pd.	122.50	125.00
Cont. Life 20% pd.	35.00	39.00
Crown Life	102.00%	....
Dominion Fire	97.50	....
Dom. Life 50% pd.	186.00	....
Dom. Can. Gen.	101.00	104.00
Emp. Life 25% pd.	8.75	10.00
Excel. Life 30% pd.	76.50	80.00
Fed. Fire 25% pd.	38.00	....
Great West Life	385.00	405.00
Guar. of N. A. fully pd.	221.00	....
Guar. of N. A. 20% pd.	42.00	....
Imperial Life	296.00	....
Manufac. Life	237.00	243.00
Mon. Life 10% pd.	19.00	21.50
Nat. Life 25% pd.	56.00	59.00
Sov. Life 25% pd.	11.00	13.50
Sun Life	335.00	350.00
West. Assur. com.	29.00	32.00
West. Assur. pfd.	35.00	....
West. Empire Life	10.00	15.00
West. Life 20% pd.	9.00	12.00
Bank, Trust & Loan Shares:		
Bank of Canada	54.00	55.00
Chartered Trust	68.50	70.00
Lond. & West. Tr.	27.00	....
Premier Trust	85.00	90.00
Sec. Loan & Sav.	99.00	103.00
Traders Fin. B. pf.	47.00	51.00
Trusts & Guar.	34.00	36.00
Victoria Trust	121.00	125.00
Waterloo Trust	79.50	83.00
Investment Trust Shares:		
Can. Gen. Invest.	5.60	5.80
Can. Investors	4.15	5.25
Can. Int. Inv. Tr. Units	19.25	....
Can. Invest. Fund	3.15	3.35
Cons. Div. Standard Sec. Units	11.00	12.00
Debent. & Sec. p.	22.00	....
Dom. & Anglo Inv. Units	171.00	....
Dom. Scottish Inv. Units	21.50	22.50
Inv. Found. Units	37.75	....
Sec. Holding Units	10.00	11.50
United Corpns A	11.25	11.75
United Corpns. B	3.00	3.50
Power Issues:		
Calgary Power pf.	88.50	89.50
Can. L. & P. com.	20.50	21.50
Can. W. Nat Gas L.H.&P. pfd	91.50	92.50
Gr. Lakes Pwr. p.	40.00	50.00
Marit. T. & Tl. pf.	12.75	13.75
N. B. Tele. com.	9.75	10.50
N. S. L. & P. com.	40.50	44.00
N. S. L. & P. pfd.	88.00	90.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s.
Canada Company	7s. 6d.
Can. & For. Secs.	4s. 6d.
Can. Collier, $1 com.	3d.
Do., pref. $10	3d.
Can. N. W. Land	£1
Can. West. Lumber	1s. 9d.
Hudson's Bay	25s. 6d.
Do., pref.	108s. 9d.
Imp. Tob. (Can.) 6% pfd.	27s. 6d.
Trust & Loan (15s. pd.)	3d.

Dominion and Provincial Bonds
Quotations furnished by A. E. Ames & Co., Toronto
October 31, 1934

Dominion of Canada Bonds

			Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	106.15	106.75	2.05
†Dominion	5½	1 Dec., 1937	108.60	108.90	2.48
Dominion	5½	1 Nov., 1934	100.00		
Dominion	3½	15 Oct., 1935	100.75	101.25	2.15
Dominion	4	15 Oct., 1935	101.00	101.60	2.33
Dominion	5	15 Nov., 1936	104.50	104.90	2.57
Dominion	4	15 Oct., 1939	104.25	104.75	2.98
Dominion	4½	1 Sept., 1940	106.50	107.00	3.17
Dominion	5	15 Nov., 1941	108.50	109.00	3.55
Dominion	5	15 Oct., 1943	109.50	110.00	3.68
Dominion	4½	15 Oct., 1944	106.50	107.00	3.64
§Dominion	4	15 Oct., 1943-45	102.50	102.90	3.61
Dominion	4½	1 Feb., 1946	106.25	106.75	3.76
§Dominion	4	15 Oct., 1947-52	102.00	102.35	3.77
§Dominion	4½	1 Nov., 1946-56	106.00	106.50	3.82
§Dominion	4½	1 Nov., 1947-57	106.00	106.50	3.86
§Dominion	4½	1 Nov., 1948-58	106.25	106.65	3.87
§Dominion	4½	1 Nov., 1949-59 (with talons)	106.25	106.65	3.92

Dominion Guaranteed Bonds

			Bid	Asked	Approx. Yield
xCan. Nat. Ry.	4½	1 Sept., 1951	108.50	109.00	3.78
*Can. Nat. Ry.	4½	1 July, 1957	107.25	107.75	3.99
Can. Nat. Ry.	5	1 Feb., 1954	112.50	113.00	4.03
xCan. Nat. Ry.	4¾	15 June, 1955	111.50	112.00	3.91
xCan. Nat. Ry.	4½	1 Feb., 1956	108.75	109.25	3.86
xCan. Nat. Ry.	4½	1 Dec., 1968	104.75	105.25	4.21
§xCan. Nat. Ry.	5	1 Oct., 1969	113.25	114.00	4.00
§xMontreal Harbor Cm.	5	1 Nov., 1969	114.25	115.00	3.94

Provincial Government Bonds

			Bid	Asked	Approx. Yield
*Alberta	4½	1 Oct., 1956	94.00	96.00	4.80
Alberta	6	1 Mar., 1947	104.00	106.00	5.33
*British Col.	4½	1 Oct., 1953	92.50	94.50	4.95
British Col.	5½	1 Feb., 1945	98.50	100.50	5.44
British Col.	6	15 Feb., 1947	101.00	103.00	5.66
xManitoba	5	2 Dec., 1959	103.00	105.00	4.67
Manitoba	5½	1 Oct., 1955	102.00	104.00	5.18
Manitoba	6	1 Apr., 1947	104.50	106.50	5.28
*N. B.	4¾	15 Apr., 1960	105.00	106.00	4.38
N. B.	5	2 July, 1963	111.50	112.50	4.24
N. B.	5½	15 May, 1950	112.00	113.00	4.36
N. Scotia	4½	15 May, 1943	103.75	104.75	3.84
*N. Scotia	5	1 Mar., 1960	111.50	112.50	4.19
xOntario	4	1 June, 1962	101.75	102.75	3.83
xOntario	4½	1 Sept., 1944	107.00	108.00	3.53
Ontario	4½	1 June, 1950	106.00	107.00	3.91
xOntario	5	2 Dec., 1960	115.50	116.50	3.99
Ontario	5½	1 July, 1946	113.50	114.50	3.96
§Ont. H. C.	3½-4-5	1 Oct., 1952	97.50	98.50	4.00
xOnt. H. C.	4	1 Aug., 1957	101.25	102.25	3.86
Ont. H. C.	4¾	1 Jan., 1970	109.75	110.75	4.14
Quebec	4¼	1 Aug., 1958	104.75	105.75	3.88
Sask.	5	1 Aug., 1958	93.50	95.50	5.33
*Sask.	5	1 Nov., 1959	93.50	95.50	5.33
Sask.	5½	1 Oct., 1952	98.00	100.00	5.50
Sask.	6	15 Mar., 1952	101.50	103.50	5.68

Municipal Bonds

			Bid	Asked	Approx. Yield
*Calgary	5½	2 June, 1944	87	92	6.60
*Edmonton	5½	1 Nov., 1945	90	94	6.28
*Halifax	5	1 July, 1961	109	110½	4.34
Hamilton	5	1 May, 1950	108½	110	4.12
Montreal	5	1 Mar., 1945	100	101½	4.82
Ottawa	4½	1 July, 1945	103¼	104¾	3.96
*Quebec	5	1 June, 1959	101	103½	4.76
Regina	5	1 July, 1944	75	85	7.12
St. John	5	15 Dec., 1950	105½	108	4.32
*Toronto	4½	1 Jan., 1955	105½	107½	3.97
Victoria	5	21 July, 1945	90	95	5.62
Winnipeg	5	1 Mar., 1944	97	99	5.12

† Tax exempt issues. * Payable in Canada and New York.
§ Yield at call price.
x Payable in Canada, New York and London.

Unlisted Mining Stocks
October 30, 1934

	Bid	Asked		Bid	Asked
Algoma Summit	.50	..	Langmuir L. Lac	.37	.41
Afton	.17	.20	Long Lac Synd.	..	2.00
Arntfield Gold	..	.80	McFarlane L. Lac	..	.11
Arntfield Synd.	..	.80	MacL. Cockshutt	.28½	.30
Bailor Gold	.04	.06	Magnet Lake	..	.20
Bankfield Gold	.64	.68	Marbuan	..	.70
Bathurst	.04	.05	Matachewan Can.	.16	.18
Bur-Ley Long Lac	.15	.20	Metals Devel.	.04½	.05½
Bidgood Cons.	.01½	.03	Minefinders	1.00	3.00
Brennan Kenty	..	.45	Montague Gold	3.00	4.00
Can. Pandora	.15	.16½	Murwood	.26	.29
Canusa Mining	.05½	.07	Mosher Gold	.05	.08½
Casey Summit	..	.42	Neville Can.	..	.40
Cent. Porc.	.30	.40	North Shores	.10	.11
Cochenour Wil.	95.00	105.00	North Tiblemont	.09	.12
Columario (old)	.12½	.14	Payore Mines	.30	.33
Continental Kirk.	.05	.07	Pontiac Rouyn	.25	.35
Crown Reserve	.02½	.03½	Queen Lebel	..	.13
Cuniptau	.27	.35	Red Lake Gold	..	.16
Dennison Cop.	..	.03	Rice Lake	..	.10
Dunlop Cons.	.01½	.02½	Roche Long Lac	..	.17
El Bonanza	..	.17	Scullers Gold	11.00	13.00
Forty-Four Gold	12.25	13.00	Shawkey	..	.40
Goldside	.17½	.19	Sigma	..	2.45
Gold Eagle	.27	.32	Smelter Gold	.25	.27
Gold. L. Lac Unit		12.00	Springer Sturgeon	..	.23
Gr. Bear Lake M.	.25	.27	Sturgeon River	..	5.50
Gabrielle	.65	.68	Tashota Goldfield	.48	.56
Hardrock Un.	..	63.00	Tiblemont Island	.74	.77
Hardrock	..	.60	Toburn	1.24	1.28
Hislop	.20	.23	Tom. Johnson Nip.	.08	.11
Herbin Lake Un.	19.00	21.00	Tyche L. L.	..	.15
Hudson Pat	..	.21	Vanguard L. Lac.	.27	.30
Jomac Units	31.00	35.00	Vanquelin Sifton.	.30	.35
Karl Springer	..	2.75	Wendigo	..	.70
Kenogamisis	..	.17	Witch Bay Gold	..	5.50
Kirk. Gold Belt	..	.16	Wells L. Lac	..	.17
La Roche	..	.16	West-Side L. Lac	..	.20
Lafayette L. Lac	..	.08	Wingold	.30	.32
Long Lac Lagoon	..	.17	Young David	.23	.27
Lamaque Gold	.95	.98	Ymir Y. Gold	..	.50

Source of quotations on application. Not guaranteed.

Listed Bond Quotations
Week Ending October 29, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Range 1934 Low
Mtl. L.H. & P. debs.	3	1939	3.73	..	47½	47	47½	43
Mtl. Trams. 1st mtge.	5	1941	3.23	..	99½	..	101½	97½

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks of foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

International Utilities

One of our customers is a holder of 100 shares of International Utilities Class A stock which cost him $50 a share in 1929. The shares at present are selling around $3 a share and he is undecided whether to buy an additional 100 shares in order to even up or dispose of his holdings.

If one looks at the past history of the International Utilities Class A stock and notes especially the fact that it paid $3.50 a share from 1925 to 1931 inclusive, he is naturally apt to conclude that if there is any chance for it to climb toward that high pinnacle again, he might take the risk.

On further consideration still, he might conclude that as there are only 124,062 shares, this stock would not go long begging at this price if insiders were aware of conditions that might lead to greatly increased profits. Even if there were a reasonable chance that within several years this stock would pay 50c. a share, it would be a good buy at this price.

Further in regard to this question, one could look up the last earnings and also note the amount that will have to be earned before 50c. a share could be paid on this stock. Taking the last point first, it would be necessary for the company to earn $752,916 to stand clear after paying a 50c. dividend on this stock. And even when it earned that amount it would be necessary first for it to pay deferred dividends on prior preferred stock $7 initial series (20,603 shares) on the $3.50 series prior preferred stock (108,837.46 shares) and on the $1.75 series preferred stock (94,704.84 shares outstanding). On the latter stock, dividends are not being paid at present. On the prior preferred series, dividends have been reduced to half what is called for when paid in full.

The company's consolidated income and surplus account for 1933 showed a net profit of $688,885. This apparently is not far short of the amount required to pay dividends in full on all classes of stock but a note to the account stated that this amount is exclusive of net losses on sales of investment securities amounting to $1,744,716, charged to reserve for depreciation of investments which had been provided in prior years in amount of $1,904,982. It must also be noted that $355,754 of the net profit is represented by undistributed earnings of General Water, Gas and Electric Co. and Dominion Gas and Electric Co. It also includes earnings of subsidiaries applicable to securities pledged as collateral to bank loan of $2,780,000 (in which American Equities Company has a subordinated participation of $500,000). These earnings aggregated $180,506 after providing for interest on said loan. This is a very important note and until net profits free of all contingencies of this character are provided in sufficient amounts to pay dividends, there will be market uncertainty.

The market uncertainty is also added to by the fact that in 1933 the company's working capital dropped from a surplus of $2,763,448 to a deficiency of $1,261,070. It had also at the end of 1933 contingent liabilities of $645,000.

Marketable securities held by the company at the end of 1933 were $901,224.

At the end of 1933 the company had been proceeding in favorable fashion in reduction of underlying indebtedness of two of its chief subsidiaries and retirement of underlying securities. It dropped or lowered dividends to conserve cash and is lending all its efforts to conserving equities in the corporation's major subsidiaries. It is hoping for a recovery in the market for capital securities so that refunding operations can proceed. Proceedings under the so-called New Deal under N.R.A. have not been favorable to improving earnings of utility companies in the United States. Many of these have stated that their costs have been increased materially, whereas it is generally very difficult to make any difference in rates for utility companies of the character controlled by International Utilities. We have to see this period of uncertainty past before being able to give a clear appraisal of the chances for recovery of this stock. The last balance sheet gave it an equity of $40.38 a share.

International Pete

Can you tell me the financial position of International Petroleum? I am thinking of making an investment.

We cannot give you definite financial details concerning International Petroleum because this company does not publish either a balance sheet or an income statement. It has paid dividends progressively for the last sixteen years through bad times and good times but no one can say what it has happened to be earning in any particular time. The company does publish monthly figures as to output in both Colombia and Peru. These show that it has kept up production well and even improved it somewhat this year.

The price received for its output has differed very much in recent years, however, and the fact that the company has paid $1 a share throughout this period makes it evident that it must have, at some time during its career, earned sufficient money to pay the dividend. It was getting a very high figure per barrel for its crude some years ago, but in 1933 in mid-continent parts of the United States at one time crude petroleum was selling as low as 10 cents. These low prices governed the prices at which International Petroleum could sell in many markets and therefore it must have been very poor for the company's revenue this year when the mid-continent price went up to $1 a barrel again. There is some difference of opinion as to whether it can hold at that price against present conditions but the company itself is very ably managed, has immense resources and should over a considerable period, give an excellent account of itself.

Though one cannot speak of the liquid position of International Pete, it is controlled by Imperial Oil, which is very strong. Its association with Standard Oil of New Jersey is very helpful to it in world markets.

Midland Default

I have a bond of the town of Midland, Ont., County of Simcoe. They did not pay their interest in September. Could you give me any information as to why they did not pay, and what is the likelihood of their paying in the near future? These bonds are guaranteed by the county.

The town of Midland has defaulted both principal and interest on debentures.

The town had a gross debt of $1,322,677 at December 31, 1933 and in addition had floating debt of $15,000 on capital account and $178,240 on current account of which $72,765 was in county rates, the rest being owed to its bankers.

It is understood that the county of Simcoe has not yet been asked to implement its guarantee of the town's bonds. The county's finances are considered favorable with the exception of the fact that it has guaranteed a number of debenture issues for towns like Midland. The Midland default, however, is believed to be the first in the county.

The debenture holders of Midland are entitled to take action against the county of Simcoe, and in the case of other defaults in Ontario, there are instances where special treatment has been given to holders of county-guaranteed bonds. They have been paid their interest and principal where holders of unguaranteed bonds have had to go without.

Humberstone Shoe

I have some money which I wish to invest in a good common stock. Humberstone Shoe has been suggested. What is the standing of this company, range of stock and dividend record.

The Humberstone Shoe Co. manufactures children's footwear at a plant at Humberstone, Ont., which adjoins Port Colborne. Although equipped to manufacture footwear in general, for many years past its output has consisted of children's sandals and it is the largest plant in Canada devoted exclusively to this line. The company was incorporated in 1917, but has been in operation since 1905. Capitalization consists of 50,000 shares of common stock, no par value, of which 20,000 have been issued and are outstanding. Since 1927 dividends on this stock have been paid at the rate of $2 per year with an additional bonus of 50 cents in 1929 and 20 cents in 1932. During this same period the price of this stock on the Toronto Curb Market rose from a low of $14.75 in 1929 to a high of $37 in 1933. The current year's price range has been between $24 and $27½.

For the year ended July 31, 1934, a net profit of $67,542 was reported as compared with $67,735 in 1933. After dividends of $40,000 were paid there was a surplus for the year of $17,542 which was practically the same as in 1933. The common stock earned $2.88 in 1934 as compared with $2.89 in 1933. Based on total assets less current liabilities the equity in the common shares is $27.55. The company has no funded debt and no preferred stock.

In the annual report covering the last fiscal year which ended July 31, 1934, H. H. Knoll, president of the company, stated that the volume of sales was the largest in the history of the company. He also added that the first two months of the new fiscal year compared very favorably with a year ago and he believed that they would continue to do so.

United Fuel

Please let me know why United Fuel preferred fell from about 21 to around 14 just lately

The fall in United Fuel preferred shares from around 21 to 14 followed the decision of the Dominion Government through an Order-in-Council to allow 99 per cent drawback on the imported bituminous used for cooking purposes, providing the manufacturers used 35 per cent Canadian coal. The drawback was reduced from 99 per cent to 50 per cent in April, 1934. It is the requirement to take 35 per cent Canadian coal which hampers the company. It is stated that that Canadian coal has to be brought so far to Hamilton that the company is out of pocket on the new regulation. The re-imposition of the drawback was meant to make Montreal continue to use Canadian coal. The Montreal Companies stated that if the 99 per cent drawback continued they would not use any Canadian coal, it is understood. This would have been serious for the Maritime coal mines and their interests have been considered first. The company's situation apparently was improving but this new regulation is expected to increase costs.

Dufferin Paving

What are the prospects for Dufferin Paving? I am interested in the preferred stock.

Though all paving companies in Canada have suffered from the depression, some recent improvement is reported by Dufferin Paving & Crushed Stone, Ltd. It is understood that the company for the first eight months of the current fiscal year ended August 31, 1934, has done business equal to the same period in 1933. Though general construction has been sluggish, fairly extensive paving contracts are reported to have been secured from New Brunswick, and it is also understood that there are fair prospects of extending this business in the Maritime Provinces. The company has also just secured a contract for 30 miles of new road construction in Northwestern Ontario. Work on this will proceed right through the winter and spring.

For the fiscal year ended December 31, 1933, the company had a net loss of $81,066 as compared with a profit of $836 in 1932. In the latter year, however, there was no depreciation, written off, whereas in 1933 this account amounted to $349,842 Nothing was earned on the preferred stock in 1933 and only five cents on the first preferred in 1932 as against $4.67 per share earned in 1931 and $12.38 earned in 1930.

There was a rumor current this spring that James Franceschini, president of the company from its inception, had severed his connection. His resignation from the post as president was unofficially reported to have been due to ill health from which Mr. Franceschini has suffered for the past three years. The Financial Post understands, however, that Mr. Franceschini still retains a large interest in all classes of the company's securities.

Naturally, until general construction in Canada improves, or an extensive programme of road building is inaugurated, little improvement can be expected for this company which carries on a general contracting business specializing in paving and road construction work, building excavation work, constructing water mains and sewers and the production and sale of crushed stone, builders' supplies and ready mixed concrete.

Steel of Canada

Would you be good enough to let me have a report on the common stock of Steel Co. of Canada?

Steel Company of Canada's record of operations and earnings over a period of many years has been outstanding. It is the principal company in its field of operations. Since formation in 1910, the company has established a well-developed earning power and a large surplus has been accumulated At the end of last year, the company had a net working capital of over $14,000,000, of which in excess of $9,000,000 represented Government bonds and approved securities.

While the operations and income of the company have been affected in the last three years, as in all other industries, yet the management have maintained dividends on the capital stock. In order to do this it has been necessary to dip into surplus, but this appropriation has not affected the working capital position.

Last month the company restored the dividend on the common stock to $1.75 a share, bringing it in line with the preferred stock. Of the preferred or common stocks, the latter would appear to be more desirable from the long term investment point of view. This reasoning is based on the fact that a lawsuit undertaken by some of the common shareholders in 1929 established the point that the common stockholders were entitled to 7 per cent per annum on their holdings since the formation of the company, before the preferred stock could share in any further profit; this decision, which was approved by the Privy Council, rendered the company liable to arrears of dividends of approximately $5,000,000 on the ordinary stock before there can be an increase on the preference over 7 per cent. Future dividend action will be governed by this judgment

Financial Founders

Please send me complete information regarding Canadian Financial Founders Ltd. Is this investment considered to be a trust fund investment? Are any results whatever guaranteed or are the results dependent on market conditions at the maturity of the contract? Is it to be recommended as an investment for a person of limited means?

Canadian Financial Founders is not a trustee investment, but is a scheme for the investment of subscribers' funds in the shares of a fixed type investment trust, Diversified Trustee Shares, series "D."

The results of the investments are not guaranteed. The number of trust shares purchased for holders of Canadian Financial Founders certificates is dependent on the market price of the trustee shares at the time of payment of subscriptions, and the eventual result of the investment depends on market conditions at the time of maturity.

The answer to your question as to whether it should be recommended as an investment for a person of limited means lies within the descriptive matter following.

Canadian Financial Founders issues certificates with or without life insurance protection in denominations of $1,200, and multiples thereof, up to $9,600. A contract is made with the investor whereby the latter agrees to pay for a $1,200 certificate at the rate of $10 a month for ten years. During that time the investor is insured to the extent of the amount remaining unpaid on the contract with the Montreal Life Insurance Co. After all charges, including insurance premiums, have been deducted from the monthly installments, the balance is invested in Diversified Trustee Shares, Series "D," each share of which represents a one-thousandth interest in a fixed list of shares of United States corporations.

These Trustee shares are deposited with the Prudential Trust Co., Montreal, as trustee, and are held for the benefit of the certificate holders until the certificates mature or until payments are discontinued. In the event that the investor dies before termination of the contract, the insurance collected on the unpaid balance owing by him to Canadian Financial Founders would be used for the purchase of Diversified Trustee Shares. At maturity of the contract, the investor may take delivery of the Diversified Trustee Shares purchased for his account. The number of such shares that the investor would receive and their market value at that time cannot be determined in advance. The number purchased would depend on the price at the time of payment of premiums, and the value of the shares at the time of maturity would depend on the market value of the shares securing the trustee shares at that time.

The costs of the plan are heavy, particularly in the first few years, since it is during that period that insurance premiums are highest and salesmen's commissions, etc., are deducted. Since Diversified Trustee Shares, series "D," are sponsored by quite another company, there are various duplications of charges such as for trustees' fees, management, selling, etc. The investor who sought to withdraw from his contract after making periodic payments for only two or three years or even longer, would not find his investment a profitable one unless the value of Diversified Trustee Shares, series "D," had enhanced materially over the levels at which they were purchased. Most of the money actually invested in Diversified Trustee Shares would appear to be placed in the latter years of the contract period, and therefore the investor should carefully consider his ability to continue periodic payments throughout the greater part of the contract period.

Cons. Div. Securities

I hold a few shares of Second Diversified Standard Securities and would like to know what has happened to this company. It would be appreciated if you would give me a condensed history of its operations and the present position.

The Second Diversified Standard Securities was incorporated in 1928 and during the same year F. J. Fairhall and associates offered the preferred stock to the public at $25.50 a share. On December 31, 1930, the company had subscriptions for $1,883,325 of preferred stock with $1,849,025 fully paid, 76,170 class A common shares subscribed with 74,787 paid up and 100,000 class B common shares fully paid and outstanding. Initial quarterly dividends were paid on fully paid preferred shares on October 15, 1928, and regularly to and including October 15, 1930; none thereafter. No dividends were paid on either class of common stock. In January, 1932, the shareholders of the group of Fairhall Investment Trusts—Diversified Standard Securities, Second Diversified Standard Securities and Third Diversified Standard Securities—sent a copy of a plan for the reorganization of all three companies into the Consolidated Diversified Standard Securities. On April 6, 1932, the proposed plan was ratified. The issuance of preferred shares in the present company was determined on the net asset value shown in the pro forma balance sheet of the three companies. Added to this figure, an allowance was made to partially compensate the shareholders for accumulated dividends on the old preferred stocks, as well as those accruing to the date of acquisition by the new company. To the shareholders of Second Diversified Standard Securities was given 11/25 of a share of new preferred for each old preferred; for each ten shares of old preferred, one new Class A share; for each old Class A share, one new class A share; for each old class B share, one-half share of new class B stock. The consolidated company has been making satisfactory progress. While no dividends have been paid on the Class A or Class B stocks, an initial dividend of 25 cents a share was paid on the first preferred stock on December 1, 1932. A similar distribution was made on June 15, 1933, December 15, 1933, and on June 15, 1934.

Canada Dry

Can you give me the real reason for the drop in price of the common stock of Canada Dry. It appears to be earning its dividend.

Canada Dry's sales, I believe, are as good as last year, but the stock has dropped considerably.

Would you recommend it as a buy at the present time?

With respect to Canada Dry, its report for the year ended September 30 should be available by December and give you an idea how things are going. In the first nine months it earned 78 cents a share and paid 75 cents. The last quarter is usually its best quarter.

In the last year the company changed its attack on its marketing problems considerably. It invested $1,000,000, protected by a mortgage, in the Hupfel Brewery, New York and is marketing many domestic and foreign brands of wines and whiskies.

It is continuing its endeavor to capture as large a part of the soft drink trade as possible. Competitive conditions have been severe in recent years in the United States. The management is experienced and has had considerable success in its search for business. However, returns are very much lower than those of the boom years. It probably will take a few years to show how profitably its adventure into the intoxicating beverage fields is turning out. It expects a great deal from its brewery.

Copeland Flour Mills

In a recent issue of The Financial Post there appeared a statement on Copeland Flour Mills Ltd. of Midland under the heading of "Copeland Milling." It has been pointed out that the abbreviated heading should not be confused with the Copeland Milling Co., which is a privately owned concern dealing in lumber and located at another point in Ontario.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Casey Contact

I gave a local salesman of Casey Contact Stock a certificate for 300 shares, which I asked him to sell immediately. That was over a week ago, and I haven't heard from him. What is the position of this company?

We have checked with Mid-Canada Exploration, promoters of Casey Contact, and find that your certificate has been returned to the office here by the salesman mentioned in your letter.

The stock position of Casey Contact is a rather unique one. The company has a policy, recently adopted, of making its own market for its shares. At date of this letter Casey Contact stock is offered on the street at 25 cents with no bids. Casey Contact will hold your certificate until they get what they consider to be a fair bid. They refuse to deal through the established brokerage channels.

As for the property itself, which consists of claims in the Summit Lake gold mining area of Northwestern Ontario, only preliminary surface work has been done as yet. Recently the company took an option on claims in the Sturgeon River area and claims that they are now launching a diamond drilling programme. The company has an authorized capitalization of $3,000,000 in $1 par value shares of which $1,000,000 were issued for properties in addition to a cash payment of $25,000.

Canada Radium Mines

I would appreciate as much information as you can give me about Canada Radium Mines.

Canada Radium Mines is developing a radium prospect near Haliburton, Ontario. The company was formed to produce concentrates containing radium and by-products, to sell radio-active mineral water, and to operate an all-year health and vacation resort at the property which consists of 750 acres in Cardiff Township, reached by a seven-mile road from Wilberforce, Ontario.

While only time will tell the measure of success the undertaking will enjoy as it is pioneering a practically new field of effort, the group behind the company is composed of well known business men of integrity. In February of this year, M. B. R. Gordon, mining engineer, made a report on the property and recommended that a concentrating plant of 100 tons be erected or as an alternative a pilot concentrating mill of 20 or 25 tons capacity. It is stated by company officials that 47 veins have been discovered on the property and that all veins show radioactive ores. There are about 15,000 tons of ore on the dump. A shaft has been sunk to 330 ft. and levels established at 125 and 250 ft. with over 1,000 ft. of lateral work done. The shaft is to be sunk to the 500-ft. level, on which level lateral work will be carried out, company officials state. The company publishes no financial statement. A concentrating plant is to be erected in the near future, officials state. Of an authorized capitalization of 2,500,000 shares of no par value 1,450,000 have been issued of which 1,200,000 are in escrow. The company is at present seeking to raise funds for the concentrating plant.

Tough-Oakes-Burnside

I have some shares of Tough-Oakes-Burnside stock. What became of this company, and have the shares any value?

When Toburn Mines acquired the property of Tough-Oakes-Burnside the property was sold by bondholders who received 40.3 cents on the dollar for their investment. The common shareholder in Tough-Oakes-Burnside Gold Mines, the last company to hold title to the property did not participate in the final reorganization by Toburn Gold Mines at present operating the property. Accordingly Tough-Oakes-Burnside shares have no value.

Halliwell Gold Mines

Please let me know the status of Halliwell Gold Mines.

Halliwell Gold Mines has been getting some interesting results from its group of 19 claims in Beauchatel Township, Quebec. Surface exploration and diamond drilling are now completed. Principal interest centres on No. 3 hole which encountered six separate ore sections with a combined width of 50½ ft. with an average value of $14.10 per ton. The company is presently launching a shaft with an objective of 300 ft. Of an authorized capitalization of $3,000,000 of $1 par value shares $1,090,000 were outstanding as at July 25, 1934. At this date the company reported no debts and $1,500 cash in the treasury.

New Books

THE CANADIAN ECONOMY AND ITS PROBLEMS: Papers and Proceedings of Study Groups of the Canadian Institute of International Affairs 1933-34. $2.50.

These papers discuss the problems of rigidity in the Canadian economic structure. They have been arranged to describe the sharp decline in income during the depression, the character of fixed charges. the effects of the decline in income and of fixed charges in the emergence of inequities as between the exposed and the sheltered regions, and the possibilities of relief. Monetary policy is given extended consideration in the second part of the volume.

"The trend of industrialism has strengthened the trend of nationalism," states Dr. H. A. Innis, "and nationalism fostered by the war and the boom period became more intense as a result of the depression." He goes on to state a number of the far-reaching results of the technological drift of modern industry which are facing Canada, and says that the development of rigidities has strengthened the growth of nationalism and in turn of regionalism.

Building Up Cities

It is the opinion of Dr. Innis that democratic control accentuates the influence of the metropolitan centres and, in turn, that mechanization strengthens the position of centralized control. He feels that the political strength of metropolitan centres implies support of dependent classes by unemployment relief.

The problem of overhead costs in the production of staple commodities is given full consideration by Dr. Innis, who mentions that capital charges, railway rates, and interest levels are decidedly rigid in Canada.

He suggests that our standard of living is at stake and that an essential problem in Canadian economy is to place limits to the vicious spiral of declining prices in important staple commodities. Advocating some type of control, he hedges by saying the state of social sciences will not support the arguments of those who favor the introduction of "strait jackets."

Lack of Flexibility

"Canada is subject to a violently fluctuating social income," says K. W. Taylor, in mentioning that the social income declined from $6,000,000,000 in 1929 to $3,000,000,000, in 1933. Most of our staples have a relative inelastic demand. A substantial increase in stocks, unaccompanied by any increase in world requirements, is apt to bring about a very drastic fall in prices.

It is shown that for years the prices of Canadian export commodities have fluctuated much more widely than the prices of the commodities Canada imports. Against this violent swing in income Canada is subject to highly rigid costs or expenses.

The impressive total value but not the rigidity of our vast natural resources is too often mentioned, says Mr. Taylor. Over great areas of Canada it is "wheat or nothing," "pulp and paper or nothing," or "copper or nothing," and these areas are great sources of wealth simply because they have no alternative economic activity.

"Many of our manufacturing industries are seriously lacking in real flexibility of internal organization," Mr. Taylor says, "and in most of the large scale industries, two, three, four or six corporations control from 75 to 95 per cent of the output." A high degree of managerial rigidity is the natural outcome of the overhead costs resulting from expensive national selling and distributing organizations.

Tariff Adds to Rigidity

The tariff is a further factor of rigidity in the Canadian economic structure. Because of sympathetic revisions the prices of manufactured goods are quite rigid compared with those of raw materials. Price-fixing agreements must also be considered in the light of a rigid price structure.

Mr. Taylor shows how the public debt and our expensive transportation system reflect the heavy social overhead costs of supplying a quantity and quality of permanent works in railways, shipping, canals, and terminals, that are only used for a portion of the year.

Cutting Government Costs

Railway rates are necessarily of a rigid nature. Water transport rates show less fixity, with the costs of the depression being largely borne by the investor and the employee. Corporate and private debt is another outstanding rigidity in Canada's social costs.

"The cost of government is notoriously rigid," says Mr. Taylor, "and no government can lightly withdraw or drastically curtail services that it has customarily provided, and any economies it may make in years of depression are more than balanced by relief expenditures, direct or indirect, or by deficits in services which in good years pay their way or show a profit."

Commercial interest rates in Canada present a highly rigid structure, while there is evidence to prove that wage rates, especially in the more highly organized trades and centres, respond slowly to changing conditions.

Degrees of Suffering

On the basis of material presented by the members it is shown throughout the papers that Canada presents an economy with widely fluctuating income and highly rigid expenses. In a time of depression profit income is suddenly shifted. Often inequitable shifts in the heavy burdens are entailed, and these burdens fall unevenly on different classes and industries. The various economic classes — bondholders, stockholder, mortgagee, wage earner, mortgagor, landlord, salaried officer, suffer in very different degrees.

On the question of solutions there is naturally disagreement. But it is agreed that there is a real need for a greater accumulation and a better understanding of facts. More efficient and intelligently operated government and quasi-government machinery are also suggested.

A case, receiving rather limited support, is made for radical, political and economic reconstruction along Socialist lines. It is felt that reductions in interest and debt burdens are of great importance. Because of the unequal burden of taxation as now imposed it is emphasized that there is needed a more scientific and flexible tax system.

Some Needed Reforms

In the realm of constitutional matters the papers emphasize the need of uniform company legislation, and the harmonization, if not unification, of industrial and social legislation. National regulation of production and marketing of great major industries is recommended. It is strongly felt that some easy way of amending Canada's rigid constitution must be found in order to meet new conditions.

The second portion of the book deals solely with the special monetary problems of Canada. The papers have lost some of their former importance since the proposed central bank is now assured.

The publication, edited by H. A. Innis and A. F. W. Plumptre, is based on the study of the Canadian economy as a whole. Membership in the two groups includes a number of Canada's leading bankers, business leaders, and economists. The studies should prove of real value to students of Canadian economic problems.

"NEW FEDERAL ORGANIZATIONS, an outline of their structure and functions," by Laurence F. Schmeckebier. Published by the Brookings Institution, Washington, at $1.50.

This book enumerates 46 major organizations and numerous subsidiary corporations created by the U. S. Government or greatly enlarged in scope between March 4, 1933 and June 30, 1934.

Most of these organizations are engaged in work that has never been undertaken by the Federal Government including the making of loans to government bodies, corporations, and individuals; the insurance of loans, deposits and mortgages; the supervision of building associations, mortgage associations and credit unions; the administration of a retirement system for railroad employees; the sale of electric current; the control of production of specified crops; the distribution of funds to the unemployed; the control of industry; the prevention of soil erosion; the control of the issuance of securities; and the regulation of stock exchanges.

The book gives the scope of each unit, the reasons for its creation, the location of field offices, and a brief statistical measure of its activities.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action."—Shorter Oxford English Dictionary.

Accidents

CANADIANS are being warned against the spread of the "accident" racket. This has grown to huge proportions in the United States but only more recently has invaded the Dominion.

Make believe and "shyster" lawyers often appear on the scene of an accident as quickly as the ambulance for the simple reason that these people make their living by keeping in touch with such mishaps. The easy money hunter gets statements from witnesses, makes diagrams of how the accident occurred, and collects other evidence. He quickly approaches the injured party, or if the accident has been a fatal one, does not hesitate to get in touch with the next of kin. He offers to handle all legal complications and actions for damages. Incidentally very heavy damages are promised if the case is entrusted to his care, but it is stipulated that from 25 to 50 per cent of what is collected, will be the charge.

Across the line, it is understood, fortunes have been built out of this sort of racket with the large transportation companies usually the victims. Certain firms it is reported thrive by specializing in the business, but such practices are frowned on by the legal profession in Canada.

In not a few instances the absurd claims are dismissed after a costly lawsuit and the accident victim is asked to pay expenses or in any case to advance a substantial sum of money before the case comes up. Needless to say, costs added to such actions are excessive. In not a few cases where only a minor inconvenience has been suffered, and would normally be settled by the insurance company for a few dollars with both parties satisfied, the affair has been magnified into a suit for several thousand dollars.

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News of Canadian Mining Investments

The Week in Mining

Forget Market—Back the Mine

IT NOW seems fairly certain the "fall boom" in mining stocks, so much heralded earlier this year, has become a wet squib.

The optimistic voices which raised themselves during the midsummer are now noticeably absent from the clamor of "The Street." Gold stocks, which were to be the driving power for this autumnal skyrocket, have for the past week or two been serving in an opposite role, and have even been leading mining stocks in a slight but nevertheless unmistakable decline. Reference to the chart published elsewhere on these pages will indicate the position to date. It will be seen that while some of the ground lost toward the end of September and the first week in October has been regained, the advance has been much slower, and prices are still considerably below what they were in the peak month of September.

Just how long this condition will continue, and what the causes of it are, are questions to which every mining investor should, at this critical stage in the mining market, give considerable thought.

It is common knowledge that $35 gold, an advance of about 70 per cent over the former $20.67 price, has played an enormously important part in shoving mining stock prices to the present lofty level. This factor cannot reasonably be viewed as artificial, and the boom in mining stocks was, from this angle, a healthy, if an extraordinary, development.

It must be remembered, however, that stock market history shows that in periods of optimism, when some extraordinary factor is pushing up some particular stock, investment optimism usually far exceeds the actual factor, and markets discount the future. There are those who believe, therefore, that at least some of the recent climb in mining stock prices was brought about by bulls who were discounting still more inflation, still higher prices for gold.

One of the reasons advanced for the present decline, slight as it is, in mining stocks, is that the small investor is carrying most of the stock. The small man, by the very fact of his smallness, cannot make a rising market. It takes a big man to be a bull.

Another section of the financial fraternity point to the lowered price of bar gold on the London market, and blame this for the decline in mining stocks in general and gold stocks in particular.

If figures could be obtained showing the amount of available mining capital which has been absorbed during the summer by new companies, floating new issues, they would probably be startling. All this capital has, theoretically, and practically, been diverted from the established producers, or the established prospects. Some of it, of course, may be new capital and some borrowed money. There must, sooner or later, however, be a saturation point. When this point is reached, properties of merit will be sorely in need of capital to continue development work. Much of the available supply of this life-giving capital will have gone to feed unworthy, illegitimate members of the mining family.

* * *

Costs Rising

IT MUST also be remembered that the meritorious mining projects will have to face this condition in a world of steadily increasing production costs. Powerful and worthy forces are at present being concentrated on raising commodity prices. This is bound to reduce profits, and should be discounted by the mining investor just as much, if not more, than he is at present discounting a higher gold price.

Some investment houses are going so far as to advise investors to keep away from the mining market altogether. This would seem to be an extreme view, and one that is not in the best interests of either the investor or the mining industry. Although the present market, especially the unlisted, is riddled with worthless issues, there still remains, as always, the sound ventures, backed by sound men, which offer splendid opportunities for investment.

The present market therefore offers the greatest challenge to the investor's good sense which the speculative field has offered in a long time. It is a challenge to investors to have the courage and foresight to no longer back the market, but to back the mine.

* * *

More Gentle Sliding

IN THE absence of any news of a stimulating nature mining securities continue their downward trend. Trading on the mining section of the Toronto Stock Exchange in recent days has been listless, and prices have sagged to lower levels under the pressure of liquidation. Selling has been fairly heavy and demand has been poor in the absence of any news of a stimulating nature.

Speculative interest appears to have vanished from the market. Those who looked for an announcement from President Roosevelt that would break the decline that has been apparent during the past few weeks were disappointed. His declaration before the American Bankers Association in favor of credit inflation rather than currency inflation precluded for some time any possibility of action by the United States toward further revaluation of gold.

Softness has been more general in the golds, especially the secondary issues, than in other stocks. Silver issues have remained firm and base metals have been only moderately soft. Trading in the senior golds has been light. Offerings of Teck Hughes continue fairly heavy and as result the price of this stock has hovered around the $3.90 level.

Noranda has been particularly active. Last week the price of this stock sank to $31.75, a new low for the year, recovered to $34.60 and then eased off again to $32.50. The low price of copper has had a depressing effect on the price of Noranda stock.

LEDUC DENOUNCES HIGH PRESSURE SALES METHODS

Injurious to Industry Minister of Mines Tells C. I. M. M.

Declaring that the common purpose of the mining fraternity and the Ontario Department of Mines is the furtherance of the prosperity of the mining industry, Hon. Paul Leduc, Minister of Mines for Ontario, in an address before the Toronto branch of The Canadian Institute of Mining and Metallurgy on Friday last made a plea for the co-operation of those engaged in the mining industry and assured The Institute that the department of which he is head will co-operate in solving any problem which may confront the mining industry.

"I feel that the duties which devolve upon me may be summed up in a very few words," said the Minister. "They are to help the mining industry in so far as it lies in the power of the Department of Mines to help."

Applause greeted Mr. Leduc when he stated that the Mining Institute and the Department of Mines are united in the objective of increased revenue for shareholders of mining companies, and this was followed by laughter when he added "also for the provincial government."

In the course of his speech, which, incidentally, was his first before a group of mining men, Mr. Leduc warned the mining industry that its worse enemy at the present time is the high pressure salesman who is unloading worthless mining securities on the public. If he is allowed to continue to operate, the Minister of Mines said, it is possible that a reaction will set in which will be injurious to the industry as a whole. Expressing full confidence in the ability of J. M. Godfrey, K.C., Ontario Securities Commissioner, not to stop the practice entirely but to greatly curtail it, he requested the co-operation of the Mining Institute on Mr. Godfrey's behalf. "We don't object to an honest gamble but the public must have a run for its money," Mr. Leduc said.

Rickaby Speaks

H. C. Rickaby, new provincial geologist, in relating the results of the work done by the ten geological parties which his department had in the field during the past summer stated that the current year has been important from several standpoints, namely the healthy condition of the old camps the nature and extent of new territory opened up and the discoveries made in old territories which have been dormant for a number of years.

The Department of Mines, Mr. Rickaby said, has always emphasized the economic phase of its work and this year every effort has been put forward to stimulate the production of gold. Of the ten parties in the field this year nine concentrated their attention on gold mining.

In referring to the number of new producing properties in the province, Mr. Rickaby estimated that gold output at the end of the year will be 17 per cent higher than it was in January. Most of this increase, he said, will come from new camps and new producers. The Porcupine and Kirkland Lake districts still account for 96 per cent of Ontario's production and it is reasonably certain, the provincial geologist thinks, that present production will be maintained for some years to come.

REPORT MAJOR FIND AT RANGER GOLD

Experts Said to Have Been Rushed to Rice Lake Property

From Our Own Correspondent

WINNIPEG Man.—Ranger Gold Mines, headed by Arthur Sullivan, K.C., has made a major find on its property at Rice Lake. Rich samples of free gold have reached the city and while there is no question as to the authenticity of the rumor, officials of the company decline to comment. The president is out of the city, but Amos F. Keene, consulting engineer of New York was requested to leave New York by plane and make his way to the field as quickly as possible, while Percy Hopkins, who was in the Red Lake field, has also been sent for and is expected on the property not later than Oct. 21. The Ranger has had a crew of men under Dr. W. C. L. Greer working all summer, and supplies sufficient to carry them over the freeze-up period have been sent in and camps erected for winter habitation.

Ranger will have a drilling crew working in a few days and will continue exploration work through the winter months.

Urges 300-ft. Objective for Minrand Gold Shaft

W. A. Coughlan, engineer for Minrand Gold, has recommended to the company that the shaft be sunk to the 300-ft. level and a station cut there. Minrand's property is situated in Dubuisson township, Northwestern Quebec, 40 miles south of Amos. Mr. Coughlan recommends that crosscuts should be driven to intersect both vein systems and when this is done, drifting and bulk sampling to the extent of at least 500 ft. should be carried on. He estimates that this work will develop enough ore to put the property into production. The estimated cost of the work is $30,000.

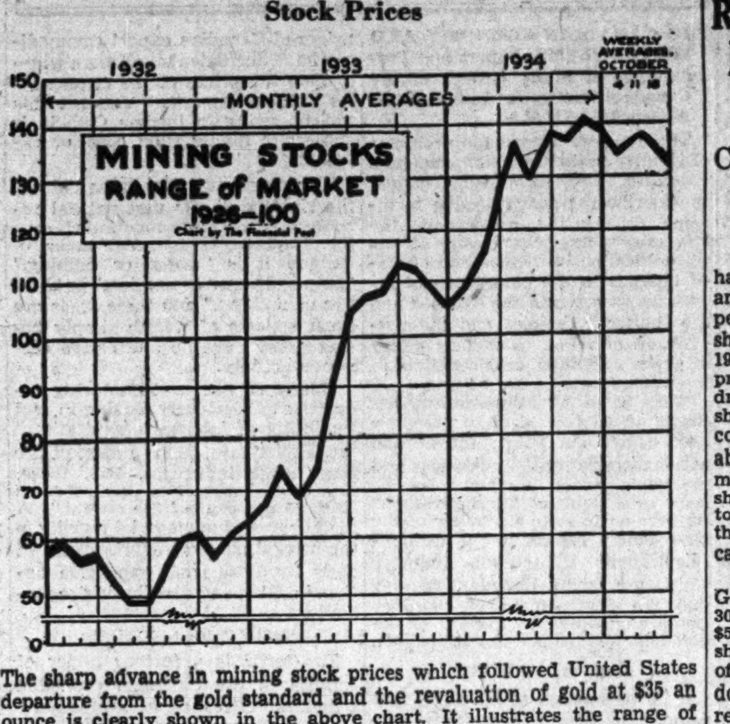
At the present time a shaft has been sunk to 100 ft. and about 600 ft. of lateral work done at this level. Diamond drilling totalling 7,721 ft. has been done of which 5,350 ft. were done during the last eight months.

Index to Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 131.3 for the week ending October 25, as compared with 137.9 for the previous week.

Nineteen gold stocks fell from 137.0 to 130.7, and four base metals stocks from 146.8 to 138.5.

Stock Prices



The sharp advance in mining stock prices which followed United States departure from the gold standard and the revaluation of gold at $35 an ounce is clearly shown in the above chart. It illustrates the range of the mining stocks over a period of three years. The chart is compiled from the weighted index of 23 mining stocks computed by the Dominion Bureau of Statistics.

Inflationary Hopes Wane Mining Stocks Decline

The Dominion Bureau of Statistics weighted index of twenty-three mining stocks recorded a decline of more than six points in the week ended Oct. 25 and the index for the past week will show a further downward trend on the part of mining stock prices. For the week ended Oct. 25 the index stood at 131.3 as compared with 137.9 for the previous week and the high for the year of 142.5 which was recorded for the week ended August 23.

A chart of the Dominion Bureau of Statistics mining stock index which appears elsewhere on this page shows that the sharp advance in mining security prices which followed the action of United States of putting a valuation of $35 an ounce on gold was halted in the month of May. Since that time the trend of the index has been somewhat irregular, moderate declines being followed by moderate advances. Since the high point for the year was reached in August, however, the general tendency has been in a downhill direction.

U.S. Action

The effect of the departure of United States from the gold standard and the revaluation of gold by that country at $35 an ounce is clearly brought out by the chart, sharp rises in the index being shown in the months immediately following these events. United States went off the gold standard in April, 1933. In that month the index stood at 74.5. Stimulated by the rise in the price of gold which followed this action mining stocks soared and the index rose to 113.4 in Sept. By January of this year the index had declined to 108.9. At the end of the month United States announced its revaluation of gold policy and the index again advanced sharply until the last week in April.

What is the cause of the halt in the advance of metal share prices and the present downward trend? The reason is not to be found in any lack of confidence in the industry itself but in a complexity of causes, the most important of which is the uncertainty which hangs over the market as to the future trend of the price of gold. During the past two weeks the price of gold has declined on the London market and it is not surprising that gold stocks have followed suit. The price might be even lower if it weren't for the fact that the British pound is seasonally weak at this time of the year.

What the future holds in store for gold is somewhat conjectural. Bankers and economists are agreed that France can maintain the gold standard for any great length of time only by continuing deflationary policies, and of late her position has been weakened by the possibility of Belgium and Holland deserting the gold bloc for the sterling bloc. There has been a strong agitation in the latter two countries in recent months for secession from the gold standard. If such action is taken France may be forced to revalue the gold basis of her currency.

Pros and Cons

What will be the price action of gold if more countries desert the gold standard and manage their currencies? There is considerable difference of opinion on this subject and one guess is as good as another. Those who argue that the price of gold will rise even higher than its present level base their arguments on the possibility of large demand from speculators and capitalists. They also claim that those countries which have large holdings would preserve what gold they have while those with small holdings would be in the market for a considerable quantity of gold in preparation for the day when return to gold backed currency would be possible. The other school of thought maintains that gold would become a mere commercial commodity and because of its disuse as currency would be in little demand.

In any event the possibility of an immediate further major rise in the price of gold has lessened, and as result speculative hopes have faded. The present decline in prices of mining stocks is partly a reflection of this situation. During the past year stock prices have been carried to very high levels by speculative enthusiasm. The market discounted further currency inflation on the part of United States but President Roosevelt postponed all hopes of this last week when he declared himself for inflation of credit rather than currency inflation.

Consolidating Gains

Another depressing factor on the market is the amount of undigested securities. Some hundreds of new mining issues have been offered during the current year. The number offered has been too large for the investing and speculating public to absorb. These must be taken up before the market can show further progress.

It appears that the market is taking cognizance of this fact and is consolidating gains made early in the year. Further sharp advances in mining stock prices at this time, when some are admittedly too high, would have been dangerous as it would have resulted in a sharp decline. A major recession is something to be avoided as great harm would result to the mining industry.

It is interesting to note that mining stocks in other parts of the world have shown the same tendency. Prices of mining stocks on the London and Johannesburg Stock Exchanges have been on the down grade in recent weeks.

Base metal stocks have also sagged. The Dominion Bureau of Statistics index of these stocks for the week ended Oct. 25 stood at 138.6, the lowest point reached since March of this year. It is not difficult to discover the reason for this. The prices of copper, lead and zinc have declined sharply since early in the year and at the present time there is no prospect of any immediate improvement in the price situation. Canadian producers have been able to offset considerable part of the drop by increased output, but their profits will nevertheless be low.

Feels Crown Consolidated Might Boost Mill Capacity

In a telegram to Geoffrion & Perodeau, of Montreal, R. A. Hardy, engineer of the Crown Consolidated Mines at Reno, Nevada, states that developments are coming along satisfactorily. Mr. Hardy states that the crosscutting in the Recovery vein at a point 600 ft. from the portal of the tunnel assays better than $12 per ton and that the drift on the vein in this tunnel over the full width of the drift, assays $89. In his telegram Mr. Hardy states that the increased tonnage resulting from new surface trenching on the Marguarita and underground development warrant consideration of a 500-ton per day milling capacity.

Century Royalties Among Leaders in South Turner

In a recent article in The Financial Post on the Turner Valley Oilfield, it was intimated that Century Royalties could not be classified among the major producers of the south end of the valley. The Financial Post is now in receipt of information from Calgary Brokers Ltd., which gives the approximate production of some of the wells as follows:

Freehold-Marjon, 170 bbls.; Merland, 175 bbls.; Sterling-Pacific, 110 bbls.; Century Royalties, 185 bbls.

The above figures indicate the position of Century Royalties among the South Turner producers.

Gold Belt Mining Co. Gives Treasury Option

The Toronto Stock Exchange has given notice of options on 130,000 treasury shares of Gold Belt Mining Co., which is developing a gold prospect adjoining Reno Mines in the Nelson mining division of British Columbia. The options are as follows: 100,000 shares at 40 cents per share to Oct. 1, 1934; 12,000 shares at 45 cents per share to Nov. 15, 1934; 12,000 shares at 48 cents per share to Dec. 31, 1934; 6,000 shares at 43 cents per share to Dec. 31, 1934. Gold Belt Mining Co. has an authorized capitalization of 1,000,000 shares, par 50 cents each, of which 870,000 shares are at present outstanding. If the above options are taken up the company's authorized share capital will be entirely issued.

The exchange has also advised that the following options, of which notice had previously been given, have now been terminated: Goodfish, Granada, Sudbury Mines, Towagmac and Wiltsey Coghlan.

Hadsell Mill Installed at Granada Property

C. L. Hershman, mine manager of Granada Gold Mines, operating a producing gold mine in the Rouyn area of Quebec, reports that the Hadsel mill is now installed and will be ready for operation by November 1. This will place the mine in a position to handle 200 tons of ore per day as against the former capacity of 100 tons per day.

RENO GOLD MINES INITIAL DIVIDEND 3 CENTS A SHARE

Company Hopes to Place Dividends on Quarterly Basis

Directors of Reno Gold Mines have announced the declaration of an initial dividend of three cents per share payable Jan. 2, 1935, to shareholders of record on Nov. 30, 1934, and D. S. Wallbridge, vice-president of the company, in addressing the annual meeting of shareholders, stated that while the company anticipates that it will be able to continue dividend disbursements at the rate of three cents per share quarterly directors preferred to give no definite assurance until the mill has been operating at capacity for three or four months.

While the annual report of Reno Gold Mines for the year ended June 30, 1934, showed a net profit of only $52,732, equivalent to 2.88 cents per share, production towards the end of the fiscal year was stepped up to double the previous rate and as result recovery during the 12 months ended Sept. 30 was valued at $509,755 as compared with $419,317 during the year ended June 30. At Jan. 2, 1935, the company will have $80,000 in the clear in addition to the $54,780 required for dividends, Mr. Wallbridge told shareholders. Although production will be increased in the present fiscal year administration, costs will be considerably lower, shareholders were informed.

Feel Lack of Power

Production during the month of September and October was severely curtailed due to the lack of power. The water in the creeks has been so low that the company's power plant has not been able to supply sufficient power for operations. Power generated has been sufficient only for alternate operation of the mill and mine. In the month of September recovery fell to $34,000 from $61,296 in the previous month. During October the mill has operated only seven days, output amounting to $17,000.

To overcome the possibility of further interruption in operations the company has made arrangements with the West Kootenay Power & Light Co. to supply it with power. The transmission line to the mine has been completed and the power will be turned on this week with the arrival of a switching gear. With power assured, W. R. Lindsay, engineer in charge of operations, stated that he expected a milling rate of 100 tons daily will be maintained for the present, and that capacity will be stepped up gradually as mine developments permit.

Mine developments at the present time, however, do not indicate that there is a possibility of mill tonnage being stepped much higher than 100 tons daily for some time. The Financial Post pointed out about two months ago that the consensus of opinion among expert observers is that a production of 100 tons per ton day is about all Reno can stand without straining the mine. This will provide for development and exploration at the rate of 200 feet of depth per year, which is about all that can be economically accomplished from a single shaft. If, however, wider width and longer length of ore shoot are encountered at greater depth it may be possible to increase daily tonnage.

Shaft Nears Objective

Shaft sinking has been practically completed, Mr. Lindsay reported, having been carried to a depth of 450 feet below No. 5 level. The objective is 275 feet with an additional 40 feet for bulkhead and sump. Hoisting equipment will permit the shaft to be sunk to a depth of 1,500 feet later.

On the sixth level, the west ore shoot has been followed for 299 feet and averaged 1.6 ounces of gold per ton across 2.8 feet. The east ore body has been followed for 186 feet and averaged 1.03 ounces across 2½ feet. The face is still in ore and drifting will be continued as soon as the shaft is completed. Three new veins will be opened below the sixth level.

Soocana Mining Plans 100-ton Mill in 1935

A group of Saginaw, Michigan, business men have undertaken to finance the installation of a 100-ton mill on the Soocana Mining Co. property near Hawk Lake in the Michipicoten mining area in return for 850,000 shares of the company's stock. Announcement to this effect was made by the company when representatives of the Saginaw interests made an inspection of the property recently.

Construction of the mill will not be commenced until next year, and in the meantime an active programme of development work is to be carried out by the company. Work will be concentrated on the Reid-Booth section of the Soocana holdings where it is estimated that approximately 80,000 tons of ore can be secured by open-cut methods. A road is to be built into the property from Mile Two on the Michipicoten branch of the Algoma Central & Hudson Bay Railway, a distance of approximately three quarters of a mile. The power line is also to be extended into the mine.

Central Temagami Plans To Erect Permanent Camp

Central Temagami Gold Syndicate in a progress statement to shareholders reports that work at the syndicate's property is being concentrated on the sinking of a shaft on No. 2 vein. The shaft is now down to a depth of 20 ft. Surface work, the report states, is being hastened before the advent of winter and negotiations are being carried on for the erection of a permanent camp so that work can be continued during the winter months.

Since the last report was issued two more veins have been located, making a total of 14 altogether. All of these veins have been uncovered and stripped and show widths varying from four ft. to over 50 ft. and surface lengths of 100 ft. to 1,500 ft.

B. C. Government Fights Injunction In Wayside Feud

From Our Own Correspondent

VANCOUVER.—Attorney-general Gordon Sloan is seeking to set aside an injunction against the provincial government's enquiry into the affairs of Wayside Mines, which has been conducted by G. L. Fraser.

The injunction was granted in supreme court to restrain Fraser from making delivery of his report in so far as it relates to the conduct of George St. John and Vancouver Stock & Bond Co. and from continuing his investigation, which was being carried out under the Securities Act.

Mr. St. John, manager of the Vancouver Stock & Bond Co., maintains that his counsel should have had the right to cross-examine witnesses. The company underwrote 500,000 shares of Wayside treasury stock and was marketing Wayside shares generally.

It is understood that one of the complaints against the enquiry is that it has so far dealt only with the brokerage features of Wayside stock. The enquiry was authorized by the attorney-general in response to complaints from the shareholders of Wayside in Toronto and elsewhere following the report of Arthur Notman, mining engineer, recommending abandonment of the property.

PLAN 100-TON MILL FOR PERRON GOLD, OPEN UP NEW ORE

Norrie Sees Small, High-grade Mine as "Definitely Assured"

Reporting on the Northwestern Quebec property of Perron Gold Mines, J. P. Norrie, general manager of the company, states that the mill now operating at a capacity of 20 tons will shortly be increased to 35 tons by the use of additional grinding equipment. He reports that gold recovery of 90 per cent is now being secured, and that this should be increased to 98 per cent by the installation of cyanide equipment and a 100 ton mill now planned.

Speaking of ore developments, Mr. Norrie stated that on the 175 ft. level, ore bodies 11 and 12 have been found to be one and the same. They have been opened up by drifting for 110 ft. and by raising for 200 ft. with ore still showing in all faces. The 597 tons of ore from this work have been treated separately in the 20 ton mill, the average gold content from mill recovery being $17.15 per ton. While development work has not indicated the full width of the vein, Mr. Norrie states that it is 20 ft. wide in places and should average near this figure. No. 6 ore body has been opened up by drifting on the 175-ft. level for about 100 ft. and by raising for 75 ft., indicating a vein width of 3.5 and a grade of $9 per ton from 228 tons treated in the mill.

Feel Lack of Power

A crosscut is now being driven approximately 100 ft. south on the 175-ft. level to diamond drill sections of two ft. of $5.60; four ft. of $17.50 and five ft. of $6.30. This crosscut should be completed in two weeks, the general manager states.

On the 325-ft. level development work has been held up due to shortage of power. However, 500 ft. of crosscutting has been done and 100 ft. of drifting on two "well mineralized" veins with an average width of approximately four feet. Since no ore has been cut from this level, no accurate estimate of grade can be given.

Concluding his report, Mr. Norrie states: "At the moment a small high grade mine is definitely assured. I believe that favorable development in the next three months should warrant the installation of electric power and a new 100-ton cyanide mill."

Perron Gold Mines has an authorized capitalization of $2,000,000 in $1 par value shares of which a total of 1,537,155 shares are understood to be outstanding. The company is reported to have a working capital of about $180,000.

Magnet Lake Gold Mines Issues Progress Report

Diamond drilling in the southern section of the Magnet Lake Gold Mines property in the Little Long Lac area has disclosed two distinct vein zones with commercial values, according to a progress report issued over the signature of L. B. Wright, president. In the northern section of the property, however, over 3,250 ft. of deep trenching has been done without any veins of commercial value being uncovered.

No. 1 drill hole was bottomed at 1,010 ft., and values and widths disclosed indicate a large medium-grade ore body, Edward F. Creelman, consulting geologist, states. Assays average $6.10 across nine ft. for the first section and $7.55 across 25 ft. for the second.

No. 2 drill hole, Mr. Wright reports, has been started and is now down 75 ft. It is planned to continue drilling during the fall and winter months. As soon as drilling results warrant, a suitable development programme will be undertaken.

Manitoba Gov't to Link Vanson, San Antonio

From Our Own Correspondent

WINNIPEG.—Government workers on the short length required to link San Antonio and the Vanson Manitoba Gold are rushing the work, as much heavy freight is on the way to the latter property in connection with the electrification of the plant. The two properties are only about two miles apart and the pole line is well advanced. The machinery is shipped by water to Government Landing on the Hole River and is then transported by trucks over a fourteen mile road to the property. It is the last two or three miles of this road, in which new bridges were required that is being rushed to completion.

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BRALORNE AIDS 1934 EARNINGS BY MILL CHANGE

Tonnage This Year Double What It Was in 1933

From Our Own Correspondent

VANCOUVER.—Capacity of Bralorne mill is now 450 tons daily although only 300 tons of ore is being handled—just double the amount treated per day during the 1933 season. During 1933, when the mill was gradually stepped up from 200 tons capacity, Bralorne produced gold valued at $736,947. Doubling of the mill's tonnage and the higher prices paid for gold will give some idea of the mine's earning possibilities for the present year.

Meanwhile, recent developments in the King vein and two other veins indicate important tonnages of milling grade ore. Installation of a large gyratory crusher ahead of the cone crusher, thus lightening the work of the ball mills, has increased the plant's capacity.

In connection with the King vein, there has been little doing below the 8th level, while the shaft is being reconstructed with two hoisting compartments. A double-drum electric hoist is now in operation and it practically doubles the ore handling facilities of the shaft.

Develop C Vein

Bralorne has also been developing the C vein along No. 2 fault and a vein opened by the Taylor crosscut which appears to be the Shaft vein. The C vein has been opened at the 6th, 7th 8th and 10th levels, and there seems little doubt that it contans considerable tonnage of ore. The drift has been extended to the north on the 8th level, and the vein has opened again after passing through a thin section to wider than tunnel width.

About 350 ft. of ore averaging 3 to 3½ ft. in width and of commercial grade has been exposed on the 8th level by drifting east and west from the main Taylor crosscut on what is believed to be the Shaft vein. This vein is cut off on the west by No. 1 fault, but it is expected that it will be picked up again without much trouble. The same vein has been opened on the 6th level, nearly 500 ft. above on the dip of the vein, indicating a good tonnage of milling ore in a section previously unexplored. So far only about 400 ft. of drifting has been done on the King vein on the 11th level, between No. 1 and No. 2 faults, and in this block the length of the ore body is expected to be about 1,000 ft.

Golden Quebec Mines Issues Interim Report

Douglas A. Mutch, Haileybury mining engineer, in an interim report dealing with the four properties held by Golden Quebec Mines in Northwestern Quebec states that the holdings of the company fully warrant large scale exploration and development. He recommends that a three-compartment shaft be sunk to a depth of 500 ft. on the Bousquet Twp. group of claims and that the ore zone proven on the surface be intensively explored and developed from four levels established at 125-ft. intervals.

Extensive surface work has been carried out on this property and some ten veins showing widths of from a few inches to five ft. have been uncovered. Four of these veins have been traced for a length of 4,000 ft. They have also been cut approximately 100 ft. below the surface by a tunnel that has been driven into the side of the hill on the top of which the veins outcrop. Assay values have been very erratic.

Referring to the suggestion that extensive diamond drilling be done Mr. Mutch states that this would serve no useful purpose as the geological and structural conditions indicate that the gold bearing veins will extend to great depth. Expenditure for exploration and development, he says, should be made entirely for the purpose of developing the known veins to a greater depth than that so far reached.

A continuation of surface exploration and a diamond drilling programme is recommended for the company's holdings in Beauchatel Twp., where preliminary exploration met with considerable success.

Nova Scotia Gold Sends Crew to Tangier Group

With Consolidated Mining & Smelting Co. of Canada carrying on work at the Caribou development of Nova Scotia Gold Mines, the company reports that A. L. Schneider has arrived at the Tangier property of Nova Scotia with a crew of men to begin operations there. It is the company's intention to spend the winter preparing the plant to begin active operation in the early spring. At the present time there are about 2,000 tons of broken ore in the chutes underground ready to be hoisted and about 16,000 tons of ore definitely blocked out and another 24,000 tons of ore partly blocked out.

Astoria-Rouyn Completes Interesting Drill Holes

Astoria Rouyn has completed three diamond drill holes on the southern boundary adjoining Granada Mines, Dr. R. Chevrier, secretary-treasurer, informs The Financial Post. The results from this will be immediately checked by further drilling in a northerly direction toward the mineralized zone running east and west, where, according to Dr. Chevrier, very promising results were obtained. Engineer Douglas A. Mutch, in charge of the work has recommended that further sinking be commenced on the zone where the high grade was located.

Report God's Lake To Split Property For N.Y. Interests

While officials do not deny the reports, details of the rumored plans to split the property of God's Lake Gold Mines still further, by the formation of two more companies, were not obtainable at press time. However, the directors of this company have in prospect two deals whereby other sections of the company's holdings will be taken over and developed by other companies. If these plans materialize, the company will assume the status of a holding company of some magnitude.

It is understood that the deals, if consummated, would be similar to that which recently resulted in the formation of Jowsey Island Gold Mines, with God's Lake retaining large interests in the new projects. It is known that Newmont Corp. and other powerful New York interests are bidding for one section of the God's Lake property.

SMELTER PLANS TO GET CONTROL OF KOCH DANEFF

Shareholders Summoned to Attend Meeting to Discuss Project

Shareholders of Smelter Gold Mines are being summoned to a meeting at the King Edward Hotel on Monday, November 5, to discuss a deal whereby Smelter Gold Mines secures control of a company to be known as the Koch-Daneff Gold Mines which is situated directly between the Long Lac at Sturgeon River district and adjoining Dik-Dik property on the east.

While the terms of the proposed deal have not been announced, H. L. Donaldson, mine manager for Smelter Gold, recommends that the property be diamond drilled at 50 ft. intervals at shallow depths along the strike until the location and extent of ore bodies can be determined. Reporting on the property, Mr. Donaldson states that open cut operation has been carried out at the Dik-Dik mine on a vein which is exposed across the line into the Koch-Daneff property. From this open cut about 60 ft. long by 40 ft. in depth, 286 tons of sorted ore was shipped which returned four ounces gold per ton. The open cut is about 80 ft. from the Koch-Daneff line. In his report, Mr. Donaldson states "the vein on the Koch-Daneff side of the line is very strong and has the same mineralization as the Dik-Dik ore. The vein dips sharply into a swamp a few feet from the boundary line on the Koch-Daneff property." Owing to water and surface oxidization, Mr. Donaldson states that it was impossible to do more than grab sample.

Ballantyne Latest to Join Growing Long Lac Family

A new company has been formed to join the host of companies pursuing active development in the Long Lac field, the Ballantyne Long Lac Mine which is currently offering an unstated number of treasury shares at 30 cents a share. The Financial Post is informed that J. P. Eastwood & Co. have firmly underwritten 50,000 shares, to net the company ten cents a share, and has an option on the balance of stock to net the company from 20 cents up to $1.00.

Ballantyne Long Lac owns 23 claims immediately adjoining the Little Long Lac Gold Mines on the north. The company claims that surface prospecting has revealed two shear zones containing a series of quartz veins up to five ft. in width, with evidence of gold in panning. At the present time a crew under the direction of J. C. Finnan is pursuing further surface exploration work with a view to preparing the property for more intensive development. The company has an authorized capitalization of $3,000,000 in $1 par value shares of which 1,250,000 shares were paid for properties, leaving with the 50,000 underwritten by J. P. Eastwood, 1,700,000 shares in the treasury. The president of the company is Alan D. MacRobie, Toronto barrister, with J. P. F. Ballantyne, vice-president. Directors include Geo. E. Buchanan, Toronto, and Walter H. Pearson at Toronto. Joseph T. Michaud is secretary-treasurer.

Stadacona-Rouyn Sets Ore Reserves at $7,000,000

In a progress report to shareholders of Stadacona Rouyn Mines, Murray D. Kennedy, mine manager, estimates a valuation of ore in place at $7,000 for each 100 ft. in depth, on the basis of a known length of ore on the 300-ft. level of 1,200 ft., a width of 10 ft., and average value of $7. Officials of the company state that the ore runs at least to the 1,000-ft. horizon with another showing at the 1,400-ft. horizon proved by drilling. They, therefore, estimate that between $7,000,000 and $10,000,000 of ore is in sight.

The company states that negotiations are already under way for planning and designing of a mill of 300 tons daily capacity. The company has decided to sink the present shaft an additional 300 ft. and open up two more levels. This work is already started, it is stated.

Wells Long Lac — Operating in the Little Long Lac district, will be shaft-sinking under power in the near future, it is announced officially. Two drills are working on the property.

NORANDA PROFITS SLIGHTLY BETTER FOR NINE MONTHS

But First Three Quarters of 1934 Reflect Depressed Copper Picture

Showing an improvement over a similar period last year, the report of Noranda Mines for the first nine months of 1934, still reflects the hampering effect of low copper prices on this company's earnings.

Estimated net profits for the third quarter of the fiscal year were $825,801, equivalent to 40 cents per share, as compared with 69 cents in the previous quarter, and 73 cents in the first quarter. The report gives total net profits for the nine months period ended Sept. 30 at $4,088,929, or $1.82 per share, as compared with $1.35 during the same period last year.

It is noticeable that the quarterly earning record of this company for 1934 has reversed the trend notable in 1933, when each succeeding quarter showed increased earnings per share.

Earnings Decline

Quarterly earnings in 1933 were, successively, 30, 41, 54 and 80 cents per share. For the first three quarters of 1934, these earnings have been 73, 69, and 40 cents per share.

Bearing in mind the recent statement of J. Y. Murdoch, president of the company to the effect that Noranda was selling its entire output of copper, taken in conjunction with the slightly stronger note in the overseas copper picture, it is generally assumed that Noranda has stepped up its copper output to keep pace with the growing demand. The official statement does not show the actual return from gold output for the nine months, but since in the item reserved for taxes the increase over last year is $158,600 and assuming that this represents the entire payment of the ten per cent bullion tax which became effective in April of this year, indications are that Noranda is producing gold at the rate of $3,460,000 a year, compared with a rate of between $5,000,000 and $6,000,000 for the past two years.

Production Record

In the nine months ended Sept. 30 the company produced 49,338,061 pounds of anodes from which total recovery amounted to $9,995,782. This compared with $8,812,372 from 47,371,031 pounds of anodes in the corresponding period last year. Cost of production, including mining, customs ore, treatment and delivery, and administration and general expenses was $4,860,824 for the period reviewed against $4,758,891 in the same period last year. Miscellaneous income was $402,334, against $233,791 in the 1933 period, while depreciation totalled $811,862 and $775,364, respectively.

Production of anodes for the three months ended Sept. 30 amounted to 18,970,402 pounds with a recovery value of $2,924,974 as compared with 15,709,878 pounds and recovery $3,569,065 in the previous quarter and 14,657,781 pounds in the first quarter, with recovery at $3,501,743.

MILL IN TEST RUN AT NORTH SHORE GIVEN APPROVAL

Plan Regular Operation by Middle of Next Month

From Our Own Correspondent

SUDBURY—Another gold mine on the eve of production is the North Shores Gold property near Schreiber, whose new 25-ton mill was turned over in a preliminary test at the end of last week. Dump rock was fed through the plant successfully, and it is expected the mill will be in regular operation by November 15. The mill, which is operated in conjunction with a 75-ton crusher, consists of two 10-ton Kennedy-Nutt units and one five-ton ball mill. Equipped with cyanide tank and classifier, the mill is new in every detail, and is operated by a 240-horsepower Diesel plant which is directly connected with the mine, and supplies power for underground operations and for the lighting system of the mine.

Schreiber Busy

Underground, stoping operations are being carried on, the crew backfilling as they proceed. Sixty men are employed at the mine completing construction and installation, but it is expected that when the mill is placed in operation the force will be reduced.

The town of Schreiber is experiencing renewed activity due to the gold-mining operations. Drifting has been started on both the Gold Range and Harkness-Hayes properties, and these concerns are going ahead with construction of camps. Work is also proceeding on the property of Ed. Darrough, two miles east of Gold Range, and operations are to start soon on the Collins-McPhee claims north of Schreiber.

Trail Smelter Treats 10,242 Tons of Ore

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co. for the period October 15 to October 21 totalled 10,242 tons. Of this amount 9,354 tons were shipped from the company's own mines. The following is a statement of ore receipts for the period:

Name of Mine:	Tons
Arlington	64
B. E. A. R.	2
Blacktail Dump	107
Bosun	41
Evening Star	7
First Thought	121
Gold Belt	47
Goodenough	113
Granite	37
Highland Lass	55
Kilo	46
Kootenay Belle	43
Midnight	14
Silverine Lease	6
Standard	35
Wellington	43
Yankee Girl	58
Columario (concentrates)	34
Twin Lakes (concentrates)	15
	888
Company's own mines	9,354
Grand total	10,242

Home Gold Mining Co.—A 25-ton mill has been shipped from Montreal to this company's property in the Coquihalla district of British Columbia.

The Story of a Mine

Chance Yields to Science

Prospecting Graduates to Rank of Big Business in Evolution of Industry

"A man makes his own 'breaks'" holds true for prospecting. A tale of determination backed by long experience in searching and living under difficulties is retold in the stories of camps from Porcupine to Pickle Crow.

While the theme is the same, the plot of the story has changed with the passing years.

In the old days of placer mining, the prospector was his own food supply and his own miner. His knowledge of rocks and minerals could be slender. He panned as he travelled and his reward was the gold dug and washed, often by himself, from his discovery. His grubstake does not change the picture from one of small scale effort under great difficulties.

But prospecting has matured to the rank of big business, run on scientific lines. While private grubstaking still exists, the prospecting syndicate or company has taken a prominent place in Canadian mining. The increased interest in our metal industry has tended to relieve the prospector from the bewildering burdens of financing a property which produces with relatively high capital. Activity in this type of company is confined to staking or buying up promising properties, for the prospector also acts as a scout, and carrying out preliminary development work. The claims are later turned over to other companies or new companies are incorporated to bring them to production, and the prospector carries on with his own trade.

Systematic Compensation

The relationships of the prospector to the prospecting unit are almost as numerous as the agreements. At one end of the scale we have employees on payrolls on a monthly basis, on yearly salaries with a substantial interest in any finds that they make, or employed part time on the quest and part time on established properties. At the other end is the active president in charge of the large scale operations of the prospecting company with all the prestige and preoccupation of his fellow industrial executive.

The reward at the end of the trail in most cases is now one or more steps removed from the gold wrought from the rock. The prospecting unit now receives the purchase price of the staking as cash and, (or) an interest in the company that undertakes to develop them to production.

Scientific Knowledge Aid

Canada's prospecting personnel has grown with the mining industry. Major discoveries in the newer camps of Sturgeon River and Little Long Lac have been made by men whose prospecting experience goes back to the earliest days of Pre-Cambrian mining at Cobalt and Kirkland Lake. Lore of the bush and understanding of rocks and minerals have grown with the personnel. Anyone who has seen a prospector turning over fragments of rock in his hands realizes that his interest is not confined to the gold that they may contain.

To the old-timers with their practical experience, have been added geologists with years of experience in field, university and governmental administration, men trained in the best engineering schools on the continent and mining men from the camps of other nations. The percentage of Canadian born and Canadian trained has steadily increased to major importance.

Outside factors come to their aid. Many have been helped by the geological work of various governments in surveys which indicate favorable areas. Government and university classes and accident, for example in railway construction, and the denuding effects of forest fires have all contributed their share.

Transport Evolutions

Changes in prospecting practice have evolved jointly with personnel and the size of the business unit. The canoe and the dog-sled have been supplemented by the airplane and the automobile in those areas equipped with good roads. The airplane, of course, has been most important for extending the area that can be conveniently covered, for its speed in reaching new areas and general communications, and in transporting men, food and materials. The ability to pick out intrusions which stand out from bare country rock and to take advantage of the extra time allowance in proving up distant claims are two of its many points. The extension of assaying facilities and the widespread use of modern appliances to all forms of activities are included in the evolution.

What does a prospector do if he finds mineralized rock?

Supposing he discovers and lays bare a quartz vein, which may vary in width from a thin "stringer" to a vein many feet in width. The prospector's first object is to get the average value of the vein across the full width. With his moil and hammer he carefully chips out a "channel sample" across the full width of the vein at right angles to the strike of the vein. The usual size of this channel is about 2½ inches wide and ½ to ¾ inches deep. All particles are carefully preserved, with the exception of particles showing free gold. Unless the prospector wants to kid himself or the public, these particles will not be included in the channel sample, as they tend to throw out of focus the average assay.

Staking Rules Vary

In many cases, a prospector will be unable to channel sample his claims before staking, as he might base his assumption of mineralization on geological formation only, and there might be no actual outcroppings on his property. In such cases, the sampling is done after the claim has been staked, and in conjunction with more extensive surface work, details of which will be described in another article.

Actual staking regulations vary with every province. With every claim recorded in Ontario, the prospector is provided with two coupons entitling him to free assays at the provincial assay office, Toronto.

In surveyed territory, most claims are about 40 acres. In unsurveyed areas in Ontario, a claim consists of a square of 20 chains to a side or 40 acres. A claim is staked out by planting No. 1 post at the northeast corner, and No. 2 at the southeast, etc., and by blazing the lines between the posts. Claims must be registered with the recorder for the mining division within fifteen days from the date of staking.

The prospect is far from a mine. The existence of high grade ore on surface is no more an indication of extensive deposits of commercial ore than the seared ends indicate a tasty and well-done roast. In the first place, allowance has to be made for the weathering of rocks. Secondly, general values, the nature and extent of the geological structure on surface and its tendencies with depth are only determined with considerable labor. In its early stages, the future of the prospect is a gamble to be judged by the adequacy of the information concerning it, the ability and integrity of the men supplying it, and their lack of bias.

A further stage in the development of a mine will be discussed in the next issue.

YMIR CON. PREPARE FOR 100-TON MILL SAY VEIN WIDENS

Plans Call for Expenditure of $100,000 on B.C. Properties

From Our Own Correspondent

VICTORIA.—The vein on the No. 2 sub-level at 500-ft. depth at the Goodenough Mine has widened to 14 ft. of commercial ore, according to a report this week from O. D. Frith, mine manager of the Ymir Consolidated Gold Mines, owning the Ymir and Goodenough Mines.

Ore is still being shipped to Trail from the Goodenough at the rate of about 600 tons a month, but this will be stopped when mill installation gets under way. At the present time the Ymir mine is being prepared for operation and the Goodenough lower levels being extended and additional ore being broken down ready for the new mill.

The plans of the company are comprehensive and include reopening of No. 10 level of Ymir, which will eventually serve as the main haulage level for both mines. The old cyanide plant building on Wild Horse Creek, still in good state of preservation, will be used to house the new 100-ton amalgamation and flotation plant which will be started off with a daily duty of 50 tons.

Arrange for Power

A covered light railway will be constructed from portal to mill site, a distance of 2,359 ft., equipped with 4-ton electric locomotive handling trains of 70 tons.

Electric power for all operations is to be taken from the Wild Horse station of the West Kootenay Power Co. and the very complete camp built by Stobie-Forlong will be used to take care of the large construction crew.

For the time being ore will be transported from the Goodenough by truck over a new road to the mill.

The budget prepared by Ymir Consolidated to cover the final stages to mill production is based upon 550 tons daily with mill efficiency of 94 per cent on heads of $12. The entire cost of improvements is estimated at $100,000. A No. 30 caterpillar tractor reached Nelson last week and operations upon a large scale are scheduled to commence at once.

It is understood that close to 100 men will be employed while construction is under way.

Casey Contact Races to Beat "Freeze-up"

From Our Own Correspondent

SUDBURY—Casey Contact Gold Mines, developing the Brennan and Kenty Brothers property in the Sturgeon River area have a crew of 15 men at work, rapid progress being made in extending lengths of veins previously discovered and in opening up new ones. J. Kenty, in charge of operations, states that his men are concentrating on veins Nos. 1, 2 and 3, in the central part of the property, while near the eastern boundary an entirely new vein has been opened in the past week.

Efforts are being made to get the work as far advanced as possible before the freeze-up, so that a good picture of the surface showings may be obtained, on which to base work for the winter months. Whether development will take the form of diamond drilling or immediate underground work has not yet been decided.

Director of Quebec Mines Hopeful of Building Trade

Further progress in developing Quebec mining resources is recorded in the 1933 report of the Director of Mines just released.

Reviewing the mining operations, the report states that following low figures for three years subsequent to 1929, there has been an increase of 9.6 per cent in the value of the output in 1933, the total value advancing from $23,683,066 to $28,064,540. Setting March, 1933, as the turn of industry, the report adds that from that time the improvement was noticeable each month. An interesting feature of the report is that section dealing with building materials wherein the mines department forecast a quick turn as a shortage of both industrial and residential construction is foreseen.

T.-CADILLAC MINE MILL IS OPERATING ON TESTING BASIS

Satisfactory Progress is Made — Underground Work Shaping Up

From Our Own Correspondent

MONTREAL — Satisfactory progress is being made in bringing the new mill of Thompson-Cadillac Mine into operation, according to a statement issued by G. S. Andrews, acting manager for Canadian Enterprises. The mill is running at a daily rate of about 65 to 70 tons, which amount will be stepped up as certain minor adjustments have been made.

Waste rock was originally fed to the mill and the grade of ore is being gradually increased until the mill reaches its regular production. A clean-up will take place on about November 10, but a large amount of recovery is not expected due to the tuning-up period. The results so far, are reported to have been satisfactorily to the management.

Report Underground Work

Underground development work has also been progressing satisfactorily. A programme of test-holing the drifts already existing was instituted and these have shown splendid results on the 300-ft. level. On No. 2 vein east on the 300-ft. level, over a distance of 210 ft., test holes showed that the wall rock was carrying values. The walls of the drift on this 210 ft. have been slashed to a point where the drift has been widened to ten feet, with the walls still carrying values, but at this time it is impossible to state the definite extent of this ore body. This increase in width, however, has materially changed the ore situation on this particular drift.

The No. 2 vein on the 300-ft. level west has test holes and the backs slashed. These show values in the walls, and the backs that have been taken out show definitely the downward extension of the good ore on the No. 2 vein west on the 150-ft. level. Values in this drift average $12 per ton with gold at $20. On the 150-ft. level No. 2 vein west, the drift will be pushed with all speed to get under the No. 2 shaft, as high values were encountered when sinking this shaft and a rich section is indicated.

Bousquet Gold Reaches Objective of 300 Feet

From Our Own Correspondent

SUDBURY.—Shaft sinking at the Bousquet Gold Mines in the West River area has now reached its objective of 300 feet, and the working force is engaged in cutting a station at this horizon, which together with a sump, it is expected, will be completed within two weeks time. Some delay was encountered in deepening the shaft from the 150-ft. level owing to excessive water.

As soon as the station is finished, Bousquet will commence lateral work at the 300-ft. level, the exploratory programme at this horizon to be a duplication of that at 150 feet, where an ore length of approximately 400 feet was established.

A new vein, a development entirely apart from the Rivers vein, which was explored on the upper level, remained in the shaft for approximately 100 feet. Channel assays, Lionel Brooke, president, states, gave 1.82 oz. gold per ton over a width of 36 inches, the best average returns yet secured in the mine.

McMillan Gold Foresees Normal Progress By Nov.

Admitting that production to date had been erratic, officials of McMillan Gold Mines, which recently started production on its Sudbury property, state, through J. M. R. Corbet, director, that pending completion of certain development work now under way, normal progress will be obtained by the middle of November.

In a statement to the McMillan board, Jas. G. MacGregor, recently appointed to succeed the late Dr. John H. Banks as consulting engineer, points out that when the company commenced production toward the end of August, underground developments were considerably behind mill requirements. This fact was then fully recognized by the management and in consequence of this it was pointed out that production would be erratic, and that some time must elapse before the mine conditions were adjusted. These adjustments are proceeding satisfactorily, mine officials state.

Mining Stock Quotations

Week Ending October 29.

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 22 (or last)	High for week	Low for week	Close Oct. 29
1	.06	.00¾	Aconda	......	.01	.....	.....	.....
No	.33	.10	Aldermac	6,100	.13	.12	.10	.10
1	.10	.01¼	Alexandria	20,500	.01¾	.01¾	.01¼	.01½
No	.18	.03½	Algoma	6,000	.04	.04½	.03½	.04
1	.04	.01	Amity Copper	12,500	.01	.01	.01	.01
No	4.31	2.00	Anglo-Huronian	2,310	4.00	4.50	4.20	4.25
1	.08½	.02	Area	300	.02½	.02	.02	.02
No	.20	.02	Arno	......	.02	.....	.....	.....
1	1.25	.30	Ashley	8,100	.30½	.32	.30	.30
1	.18	.04	Astoria Rouyn	9,000	.05	.05½	.04	.04
1	.60	.04	Bagamac	36,600	.07	.07	.05¾	.05¼
1	.04½	.00¾	Baldwin	35,500	.01¾	.01¾	.01¼	.01½
1	.22	.08	Barry Hollinger	19,250	.09½	.09	.08½	.08½
1	2.05	.65	Base Metals	6,623	.78	.85	.74	.85
1	.91	.16	B.E.A.R.	31,950	.26½	.26½	.20½	.20½
No	2.45	1.90	Beattie Gold	8,200	1.95	2.20	1.90	2.15
1	.51	.26½	Big Missouri	10,150	.34	.34	.30	.30
1	.75	.23	Bobjo	45,415	.40	.41	.35½	.35½
1	3.72	1.70	Bradian	7,795	2.15	2.20	1.70	2.05
No	17.00	9.90	Bralorne	8,995	13.65	13.50	11.75	12.00
1	1.50	.10	Brasil Gold	3,500	.15	.17	.15	.16½
1	.16	.03	Brett Trethewey	......	.06	.....	.....	.....
50c	1.41	.20	Bridge River Ex.	25,300	.25	.25	.20	.22½
1	.09	.01¼	Brownlee	25,000	.02	.02½	.02	.02
1	.02½	.00¾	Buckingham	......	.00¾	.....	.....	.....
1	3.98	1.90	Buffalo Ankerite	6,215	3.24	3.25	3.00	3.05
No	.14	.03	Buffalo Can.	3,500	.03	.03½	.03	.03½
5	37.50	23.50	Bulolo Gold	1,035	36.25	36.25	33.75	34.00
No	.11	.03	Bunker Hill	2,800	.06	.06	.05	.05
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	......	.03	.....	.....	.....
1	.20	.04	Can. Kirkland	56,500	.05	.05	.04½	.04½
No	.78	.38	Can. Malartic	23,362	.56½	.58	.51	.54
1	.02¾	.00¾	Capital Rouyn	5,500	.00¾	.00¾	.00¾	.00¾
1	2.85	1.00	Cariboo Gold	1,075	1.10	1.10	1.05	1.10
1	.09	.01	Cartier Malartic	12,000	.05	.05	.04	.04
1	.81½	.49	Castle Trethewey	29,425	.69	.69	.64	.66
1	.16	.07	Cen. Manitoba	13,400	.08¾	.08½	.07	.08
1	1.25	.54	Cen. Patricia	47,860	.99	1.00	.93	.97
No	.16½	.05½	Chibougamau Pros.	44,200	.09	.09	.07	.08
1	.15½	.04¼	Church. M. & Mill	13,100	.05½	.05¾	.05	.05
No	.14	.02½	Cleriey	13,000	.03¾	.03¾	.02½	.03
1	.03½	.00¾	Clifton Cons.	1,000	.00¾	.00¾	.00¾	.00¾
5	5.75	2.80	Coast Copper	45	3.00	3.02	3.00	3.00
1	.06¾	.02	Cobalt Contact	11,500	.03	.03	.02¾	.02½
No	.94½	.20	Columario	12,150	.23½	.24	.21	.21
5	2.50	1.35	Coniagas	1,325	2.21	2.30	2.20	2.30
No	1.60	.97	Coniaurum	7,885	1.49	1.51	1.35	1.35
25	170.25	118.00	Cons. Smelters	940	135.00	136.00	129.00	130.00
25c	.43½	.31	Crown Cons.	45,650	.43	.43½	.43	.43½
No	45.50	32.00	Dome Mines	1,865	40.00	39.00	37.75	38.50
1	.14	.08	Dom. Explorers	813	.10	.13	.11	.11
1	.02½	.00¾	Dominion Kirk.	7,500	.01¼	.01¼	.01	.01¼
1	.17½	.01	Duparquet	62,000	.09½	.10½	.08	.09
1	4.35	1.76	Eldorado	33,530	2.12	2.15	1.85	1.85
No	4.15	3.00	Falconbridge	1,530	3.60	3.62	3.50	3.50
1	.11½	.01¼	Federal	11,500	.02¾	.02¾	.02	.02½
No	.07	.02	Gilbec	15,500	.02½	.02¾	.02¾	.02½
No	4.30	.70	God's Lake	72,660	2.32	2.31	2.02	2.05
1	.30	.08	Goldale	14,000	.17	.17	.16½	.16½
50c	.47	.30	Gold Belt	1,500	.33	.32½	.30	.32
10	.57	.13	Goldfield	3,000	.15	.13	.13	.13
1	.43	.07½	Goodfish	6,700	.11	.11	.07½	.10
1	.18½	.02½	Graham Bosquer.	7,300	.02½	.03¾	.03½	.03¾
1	1.09	.25	Granada Gold	137,400	.40	.40	.25	.30
No	.53	.13	Grandora	7,500	.15	.15	.14	.14
1	1.22	.41	Greene Stabell	47,129	.49	.51	.45	.48½
1	.18	.05	Grozelle	......	.06	.....	.....	.....
1	.48	.05	Grull Wihksne	2,000	.06	.06	.05	.05
1	2.50	1.28	Gunnar Gold	88,475	1.57	1.63	1.42	1.46
1	.53½	.07	Halcrow Swayze	27,950	.09½	.09	.07	.08½
1	.15	.03¾	Harker	30,400	.07½	.07½	.06¾	.07
1	.02½	.00¾	Hilltop	4,000	.00¾	.00¾	.00¾	.00¾
5	21.65	11.40	Hollinger	16,464	20.20	20.10	19.20	19.30
1	1.40	.93	Howey Gold	19,665	1.22	1.22	1.15	1.20
No	15.00	9.00	Hudson Bay	5,862	12.10	12.75	11.50	11.50
1	14.25	10.45	Inter. Mining	......	11.75	.....	.....	.....
1	6.25	4.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.00	21.15	Int. Nickel	23,008	24.00	24.25	22.62	23.00
1	.48	.26	J. M. Cons. Gold.	31,790	.27	.31½	.26	.28½
1	.03½	.00¾	Keora Mines	3,500	.02	.01¾	.01	.01
1	.39½	.16½	Kirkland Cons.	85,500	.26	.27	.16½	.19
1	.73½	.35	Kirk. Hud. Bay	700	.40	.40	.35	.35
1	.05	.00¾	Kirk. Hunton	3,000	.01¼	.01¼	.01	.01
1	.79½	.29	Kirkland Lake	35,900	.68	.68	.62	.63
1	.40½	.20	Kirk. Townsite	13,500	.21½	.21½	.20	.21
20c	.02½	.01	Koot. Florence	......	.01	.....	.....	.....
1	.23	.02	Lakeland	18,000	.02	.02½	.02	.02
No	.18	.04	Lake Maron	8,000	.04½	.04½	.04	.04
1	58.50	42.00	Lake Shore	8,207	54.70	55.00	52.00	53.00
1	.48	.06	Lamaque Contact	18,100	.14½	.14	.06	.08
1	.26	.04	Lebel Oro	8,900	.04½	.04½	.04	.04
1	.22	.08	Lee Gold	11,900	.08	.09	.08	.08
No	7.75	4.05	Little Long Lac	19,423	6.00	6.00	5.60	5.70
1	3.05	1.85	Macassa	24,208	2.80	2.80	2.65	2.66
1	.08½	.01¼	Malrobic	15,000	.02¼	.02¼	.02	.02
No	.17	.05	Mandy	3,000	.10	.10	.09½	.10
No	.40	.18	Man. & Eastern	45,400	.27	.25½	.22	.22
1	1.00	.15	Maple Leaf	107,900	.17	.18	.15	.15
5	50.00	39.25	McIntyre	1,735	44.00	44.50	41.25	42.00
1	1.74	1.01	McKenzie Red L.	45,828	1.34	1.36	1.23	1.34
1	.75	.50	McKinley	275	.73	.71	.70	.70
No	.06¾	.01¼	McLeod River	26,200	.01½	.02	.01½	.01¼
1	.75	.39	McMillan	36,750	.51	.50	.45	.47
No	.55½	.25	McWatters	27,800	.45	.44	.40	.40
1	1.21	.34	McVittie	14,675	.41	.41	.34	.36
5	1.50	.50	Mentor Exp. & Dev	......	.50	.....	.....	.....
No	2.47	1.36	Mining Corp.	3,955	1.40	1.45	1.40	1.42
No	.21	.16½	Minto Mines	2,650	.20	.17	.16½	.16½
1	.08½	.02¾	Moffatt Hall	10,800	.03½	.03½	.03	.03
1	.20	.08½	Moneta	2,300	.11	.10	.09	.10
1	.04	.01	Murphy	4,000	.01¼	.01¼	.01	.01
No	.09½	.02	Newbec	2,200	.02	.02¾	.02	.02¾
1	.06½	.03	Night-Hawk Penn.	3,000	.03½	.03½	.03	.03½
5	2.88	2.00	Nipissing	8,450	2.85	2.75	2.58	2.74
No	45.05	31.75	Noranda	45,887	35.50	35.50	31.75	32.55
No	.54	.22	Nor. Canada	8,884	.29½	.31	.25	.25
1	.27	.06	Osisko	......	.08	.....	.....	.....
1	.72	.25	Parkhill	31,050	.32½	.33	.30	.32½
1	.06	.01¼	Pawnee Kirk.	2,500	.01¾	.01¼	.01½	.01½
1	.31½	.17	Paymaster	11,600	.19½	.20	.18	.17
1	1.40	.40	Pend Oreille	1,400	.53	.50	.45	.46
1	.06¾	.01½	Peterson Cobalt	19,300	.03	.03	.02½	.02½
1	1.95	1.26	Pickle Crow	53,525	1.90	1.95	1.72	1.75
1	14.15	10.30	Pioneer Gold B.C	9,740	11.95	11.95	10.85	11.50
1	.08½	.01¼	Porcupine Crown.	16,000	.03¾	.03¼	.03	.03
1	.03	.00¾	Potter Doal	2,500	.01¾	.01	.00¾	.00¾
1	1.75	1.02	Premier Gold	8,375	1.31	1.32	1.25	1.25
1	.06½	.01½	Preston E. Dome.	14,000	.02	.02	.02	.02
No	.89	.30	Prospectors Air's.	5,500	.70	.70	.55	.65
1	.70	.12	Quebec Gold	12,100	.12	.13	.12	.12½
No	.15	.04	Quemont	......	.05½	.....	.....	.....
1	1.73	.27	Read Authier	29,160	.87	.95	.85	.90
1	1.29	.75	Reno Gold	57,375	.99	1.02	.97	.99
1	.02¾	.00¾	Ribago	10,000	.00½	.00¾	.00¾	.00¾
1	.05¾	.01¼	Ritchie	4,000	.02	.01¾	.01½	.01½
1	.11¾	.01¼	Robb Monthray	39,470	.03	.03	.02½	.02¾
1	6.30	1.75	San Antonio	27,553	4.90	4.80	4.25	4.50
1	1.43	.43	Sherritt Gordon	14,786	.46	.49½	.45	.46
1	2.88	1.43	Siscoe	50,055	2.70	2.72	2.52	2.56
1	4.00	2.95	South Amer. Gold	100	3.35	3.35	3.35	3.35
1	.07¾	.02½	South Keora	10,600	.05	.04½	.04	.04½
No	.26¾	.02¾	South Tiblemont.	34,600	.03	.03	.02½	.02¾
No	.46	.08¾	Stadacona	139,540	.24	.33½	.24	.30½
1	.65	.31	St. Anthony	32,105	.40	.40	.33	.33
No	2.00	1.00	Sudbury Basin	1,750	1.27	1.30	1.20	1.21
1	.16½	.05	Sudbury Contact.	17,300	.10½	.10¾	.08½	.09¾
1	.11½	.00¾	Sudbury Mines	76,300	.06	.05½	.04½	.05¾
1	.63	.44	Sullivan Cons	45,102	.52	.52	.47	.47½
1	3.20	1.29	Sylvanite	31,070	2.63	2.64	2.48	2.52
1	8.05	3.73	Teck Hughes	38,870	3.91	4.10	3.80	3.85
1	.59	.20	Thom. Cadillac	29,550	.34	.35	.29	.33
1	.02	.01	Timiskaming	......	.01	.....	.....	.....
1	.76	.22	Towagmac	3,800	.30	.28	.22	.22
1	.85	.24	Treadwell	......	.24	.....	.....	.....
No	.02¾	.00¾	Vacuum Gas	3,000	.00¾	.01	.00¾	.01
No	1.12	.77	Ventures	30,045	.90	.90	.84	.84
1	.03¾	.01½	Vickers	......	.01¾	.....	.....	.....
No	1.53	.50	Waite Amulet	1,516	.70	.65	.50	.64
50c	.50	.06	Wayside Cons	33,700	.07½	.08	.07½	.08
No	.43	.15	White Eagle	27,850	.17	.17½	.15	.15
1	.07½	.01¾	White Lake	500	.01¾	.01¾	.01¾	.01½
1	.18	.05	Wiltsey Coughlan	15,300	.07¾	.09	.07	.08
1	.20	.05	Wood Kirkland	1,000	.09½	.08½	.08	.08½
No	10.25	6.75	Wright-Hargreaves	26,349	8.80	9.10	8.55	8.60

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 22 (or last)	High for week	Low for week	Close Oct. 29
No	.33	.16½	Acme Gas & Oil	11,700	.20	.20½	.18	.18½
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	.84	Ajax	2,850	.90	.90	.84	.84
1	.25	.08	Alta. Pacific	500	.10	.08½	.08½	.08½
No	.35	.10	Associated	3,300	.12½	.13	.12	.12
No	.17	.03	Baltac	500	.05	.03½	.03½	.03½
No	1.60	.60	Calgary & Ed.	4,100	.70	.74	.62	.62
1	.15	.05	Calmont	1,200	.06	.05	.05	.05
No	.12	.04	Common. Pete.	1,000	.05	.04	.04	.04
No	.65	.22	Dalhousie	6,750	.25	.33	.25	.26
No	.30	.09	East Crest	2,300	.11½	.12	.10	.10
No	.58	.07	Erie Gas	2,000	.12	.20	.12	.12
No	.75	.20	Foothills	200	.25	.20	.20	.20
No	.25	.20	High Sarcee	......	.23½	.....	.....	.....
No	1.90	.65	Home	3,185	.70	.73½	.65	.65
1	.25	.10½	Homestead O. & G.	1,000	.10½	.11	.11	.11
No	.44	.11	Lowery	......	.11	.....	.....	.....
No	.42	.19	Merland	100	.22	.22	.22	.22
1	.48	.09	Midwal Oil	......	.09	.....	.....	.....
1	.33	.17	Model	1,000	.18½	.20	.19	.19½
5	.17½	.05	Nordon	2,500	.06	.05½	.05	.05
No	.09	.02½	Oil Selections	6,000	.03½	.03½	.02½	.03
No	.34	.08	Olga Gas & Oil	44,300	.10	.12	.08½	.08½
1	1.10	.50	Petrol Oil & Gas	900	.50	.50	.50	.50
No	19.55	12.75	Royalite	1,884	14.25	15.00	14.00	15.00
1	.13	.04	Sarnia Oil	2,600	.04½	.05	.04½	.04½
No	.17	.07	South West Pete.	......	.15	.....	.....	.....
No	.90	.86	Texas Canadian	3,250	.90	.90	.86	.86

VANCOUVER STOCK EXCHANGE
(Transaction for Week to October 27.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 20 (or last)	High for week	Low for week	Close Oct. 27
1	.09½	.01½	Alexandria	......	.02	.....	.....	.....
No	.20	.18	Atlin Pacific	11,750	.20	.20	.18	.19
25c	.03¾	.01	Bayview	12,000	.02	.01¾	.01¾	.01¾
20c	.09½	.03	Beaver Silver	4,700	.07½	.07½	.07	.07
25c	.03½	.01	Bluebird	4,500	.01½	.01	.01	.01
1	3.70	1.65	Bradian Gold	7,475	2.15	2.15	1.65	1.75
No	16.95	9.85	Bralorne	4,273	13.25	13.50	11.60	11.65
1	.48	.07	Bridge River Cons.	5,800	.08	.08	.07	.07
50c	1.40	.19	Bridge River Exp.	28,450	.25	.27	.19	.21
50c	.27	.15	B. R. Mountain Gold	......	.15	.....	.....	.....
1	1.76	.51½	B. C. Nickel	57,270	.66	.68	.60	.62
1	1.25	.90	B. C. Silver	......	1.00	.....	.....	.....
50c	.29	.08	Butte I.X.L.	......	.09	.....	.....	.....
50c	.24	.10	Canadian Rand	1,210	.10	.10	.10	.10
1	2.90	1.00	Cariboo Gold	6,400	1.11	1.17	1.05	1.10
No	12.60	8.75	Coast Breweries	545	10.25	12.25	10.75	11.20
1	.51	.18	Congress Gold	5,575	.25	.25	.24	.25
25c	.02	.00¾	Cork Province	......	.00¾	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
No	2.07	.25	Dentonia	22,590	.48	.47	.40	.43
No	.07½	.03	Dictator	2,500	.04	.04	.03¾	.04
1	.45	.14	Dunwell	6,500	.19	.21	.18	.18
No	.44½	.12	Fairview Amal.	7,300	.24½	.24	.18	.18
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.20	George Copper	200	.24	.20	.20	.20
50c	.02½	.01½	George Enterprise	......	.01½	.....	.....	.....
1	.06½	.01	Georgia River	6,500	.01	.01	.01	.01
50c	.08	.01	Glacier Creek	28,950	.05½	.07½	.05½	.06½
1	.63	.29	Golconda	500	.29	.29	.29	.29
5c	.20	.11	Golconda Ex.	300	.13	.11	.11	.11
50c	.63½	.27	Gold Belt	8,100	.31	.33	.28	.28
50c	.51	.11	Gold Mountain	800	.15	.12	.11	.12
50c	.06	.01½	Grandview	1,000	.02	.02	.02	.02
No	.38	.16	Grange Mines	9,045	.22	.25	.20	.21
1	.50	.04	Grull Wihksne	2,800	.05	.05½	.05½	.05½
No	.16	.04	Haida Gold	2,200	.07½	.07½	.05	.05
25c	5.90	5.25	Hecla	20	5.25	5.90	5.90	5.90
50c	.34	.18	Hedley Amal.	29,500	.28	.27	.20	.21
No	.29	.08	Hedley Sterling	......	.08	.....	.....	.....
1	.09½	.03	Hercules Cons.	25,000	.03½	.03½	.03	.03
No	.28	.07	Home Gold	17,300	.12½	.12½	.10	.11
1	.04	.01½	Independence	16,200	.02	.01½	.01½	.01½
1	.04	.01½	Indian Mines	......	.01½	.....	.....	.....
1	.21	.10	Inter'tl. Coal	2,800	.20	.21	.20	.20
1	.42	.20	Jack Waite	......	.20	.....	.....	.....
50c	.65	.19	Kootenay Belle	4,650	.48	.49	.48	.49
25c	.02	.00¾	Kootenay King	......	.00¾	.....	.....	.....
1	.01½	.00¾	Lakeview	......	.01¼	.....	.....	.....
10c	.06	.02	Lucky Jim	......	.02	.....	.....	.....
No	.40	.11	Mak Siccar	6,300	.24	.23	.20	.20
50c	.01½	.00¾	Marmot Metals	......	.00¾	.....	.....	.....
1	.14	.09½	McGillivray Creek	1,000	.14	.13	.13	.13
10c	.33	.08½	Meridian Min.	41,400	.11	.12½	.10	.12
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	18,100	.18½	.20	.16	.17
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.13	Morning Star	7,400	.16	.15	.13	.13½
1	.05½	.00¾	Morton Woolsey	6,500	.01	.01½	.01	.01½
50c	.09	.03	National Silver	16,500	.04	.04½	.03¾	.04½
50c	1.36	.17	Nicola	17,550	.21	.21	.17	.19
50c	.17	.06½	Noble Five	10,850	.08	.08	.07½	.07½
1	.54	.12½	Pavilion	2,000	.43	.46	.45	.45
No	.10½	.06	Pilot Gold	8,100	.07	.06½	.06	.06
1	14.25	10.50	Pioneer Gold	1,220	11.90	11.90	11.00	11.00
50c	.18	.06½	Porter Idaho	7,157	.08½	.09	.07	.07
No	.02½	.00¾	Premier Border	2,000	.01	.00¾	.00¾	.00¾
1	.06	.03	Quatsino Copper	......	.03	.....	.....	.....
50c	.19	.06	Red Hawk	......	.06	.....	.....	.....
No	.27	.09	Reeves McDonald	......	.12	.....	.....	.....
1	1.25	.75	Reno Gold	79,125	.95	1.02	.95	.98
1	.15	.04	Reward Mining	2,000	.05	.04½	.04	.04
No	.27	.09	Richfield Cariboo	......	.09	.....	.....	.....
1	.03½	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.05	.02	Ruth Hope	2,000	.03	.03	.03	.03
1	.55	.25	Sally Mines	3,900	.30	.35	.32	.32
50c	.35	.10	Salmon Gold	7,900	.12½	.13	.10½	.12
1	.09	.04	Silverado	......	.05	.....	.....	.....
25c	.04½	.01½	Silvercrest	7,000	.02¾	.02	.01½	.01½
20c	.17	.04	Silversmith	1,800	.09	.09½	.07	.07
50c	.03½	.01	Snowflake	1,000	.01	.01	.01	.01
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.46	.07	Standard Gold	......	.07	.....	.....	.....
10	9.50	4.75	Sunshine	......	9.50	.....	.....	.....
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.24	Taylor Bridge	12,950	.25	.32	.24	.25
1	.65	.20	Taylor Windfall	1,100	.23	.22	.20	.20
5	.25	.20	Toric	......	.20	.....	.....	.....
1	.10	.10	Utica Mines	......	.10	.....	.....	.....
50c	.35	.04½	United Empire	14,150	.17½	.18	.12	.12
No	3.50	.72	Vidette Gold	9,475	.87	.85	.73	.78
No	.21½	.05	Viking Gold	4,500	.06	.05½	.05	.05½
No	.27½	.07	Waterloo Gold	2,500	.07½	.07½	.07	.07
25c	.03	.01	Waverly Tangier	6,500	.01¾	.01½	.01	.01
50c	.47	.06½	Wayside Cons.	27,750	.07¾	.08½	.07	.08
20c	.03½	.01½	Wellington	3,000	.01¾	.01¾	.01¾	.01¾
No	.44	.18	White Eagle	......	.21	.....	.....	.....
1	.10½	.04	Whitewater	2,000	.05½	.05	.04½	.05

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 20 (or last)	High for week	Low for week	Close Oct. 27
1	.15½	.06	Amalgamated	6,500	.07	.07	.07	.07
1	.08	.03	Anaconda	......	.03	.....	.....	.....
1	.10	.07	Brit. Dominion	......	.09	.....	.....	.....
1	.11½	.03	Crow's Nest	7,700	.06	.07½	.06	.06
No	.09½	.02	Devenish	......	.03	.....	.....	.....
No	.01½	.00¾	Fabyan Pete	......	.00¾	.....	.....	.....
No	.15½	.06	Freehold	400	.06½	.06½	.06½	.06½
No	.13	.04	Hargal	......	.04½	.....	.....	.....
No	.35	.14	High Sarcee	1,500	.14½	.14½	.14	.14
No	.05	.00¾	Madison	......	.00¾	.....	.....	.....
No	.35	.05	Marjon Oil	3,400	.10½	.10½	.10	.10
No	.05½	.02	McD. Segur Ex.	400	.02½	.02	.02	.02
1	.47	.25	McLeod	890	.35	.35	.32	.35
No	.22	.12	Mercury	5,300	.13	.13	.12½	.13
No	.22	.10	Mill City Pete	1,200	.12	.12	.11½	.12
No	.18	.05	Okalta	......	.05	.....	.....	.....
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.04½	Pacalta Oil	3,000	.05½	.06½	.05	.05
1	.75	.14	Ranchmen's	40	.60	.55	.55	.55
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	......	.25	.....	.....	.....
No	.11½	.03½	United	1,500	.04	.03½	.03½	.03½
No	.50	.08	Vanalta	900	.10	.08	.08	.08
1	.20	.10	Vulcan	155	.11	.12	.12	.12
1	.35	.07½	Wellington Oil	......	.08	.....	.....	.....

DIVIDEND OILS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	4.76
Ajax Oil	8c.	9.52	Mercury Oils‡	4c.	.....
Bralorne	60c.	5.00	Merland Oils‡	5c.	.....
Buff. Ankerite	10c	3.28	Model Oils	3c.	.....
Bulolo Gold‡	60c.	.....	Nipissing	12½c.	.....
Coast Brew	92c.	8.21	Noranda‡	$1	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons Smelters	1.00	.....	Premier	12c.	9.60
Dome Mines	$2	5.19	Pioneer, B.C.	80c.	6.95
Falconbridge	10c.	.....	Reno	3c.	.....
Hollinger	65c.+65c.	3.36	Royalite	50c.	3.33
Howe Sound	$3	.....	San Antonio†	5c.	.....
Howey Gold	10c.	.....	Siscoe	12+5c.	4.68
Int. Coal & Coke‡	1c.	.....	So. Amer. Gold	10c.	.....
Int. Nickel c.	15c.	.....	Sylvanite	20+5c.	.....
Kirk. Lake†	3c.	.....	Teck-Hughes	40c.	10.39
Lake Shore	$2+$1	3.77	Toburn	8c.	.....
Macassa†	5c.	.....	Wright-Har	40+20c.	4.65

‡Interim. †Initial.

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Mining Concerns Newly Formed

A. R. L. Gold Mines—Ont. Incorp., Sept. 22; H.O., Toronto; Author. capit., $3,000,000, par $1.

Arrowhead Gold Mines—Que. Incorp., Sept. 14; H. O., Montreal; Author. capit., $3,000,000, par $1.

Big Divide Gold Mines — Ont. Incorp., Sept. 28; H. O., Toronto; Author. capit., $3,000,000, par $1.

Bilmac Gold Mines—Ont. Incorp., Sept. 11; H. O., Toronto; Author. capit., 2,000,000 shs., n.p.v.

Chappie-Mammoth Gold Mines—Ont. Incorp., Sept. 19; H.O. Toronto; Author. capit., $3,000,000.

Cintorico Gold Mines—Ont. Incorp., Sept. 8; H. O., Toronto; Author. capit., $3,000,000, par $1.

Delhi (Temagami) Gold Mines—Ont. Incorp., Sept. 5; H. O., Toronto; Author. capital., $3,000,000, par $1.

East Malartic Mines—Ont. Incorp., Sept. 15; H.O., Montreal; Author. capit., $3,000,000, par $1.

Edgelake Gold Mining Co.—Ont. Incorp., Sept. 21; H.O., Schumacher, Ont.; Author. capit., $3,000,000, par $1.

Goldcrest Mines—Ont. Incorp., August 31; H. O., Toronto; Author. capit., $3,000,000, par $1.

Grierson Sturgeon River Mines—Ont. Incorp., Sept. 26; H.O., Toronto; Author. capit., $3,000,000, par $1.

James Bay Mining Exploration—Que. Incorp., Sept. 11; H. O., Amos, Que.; Author. capit., $20,000, par $1.

Kirmaque Gold Mines—Ont. Incorp., Sept. 20; H.O., Kirkland Lake, Ont.; Author. capit., $3,000,000, par $1.

K. L. Exploration Co.—Ont. Incorp., Sept. 12; H.O., Toronto; Author. capit., 40,000 shs., n.p.v.

Kenogamisis Gold Mines—Ont. Incorp., Sept. 26; H.O., Toronto. Author. capit., $3,000,000, par $1.

Lac-Tek Gold Mines—Ont. Incorp., Sept. 26; H.O., Toronto; Author. capit., $3,000,000, par $1.

Mineral Extractors Ltd.—Dom. Incorp., Sept. 26, 1934; H.O., Montreal; Author. capit., 200,000 non-cum., conv., 7% preferred shares, par $1, and 1,000,000 common shares, n.p.v.

North Tiblemont Gold Mines—Ont. Incorp., Sept. 28; H.O., Toronto; Author. capit., $4,000,000, par $1.

Oliver Severn Gold Mines—Ont. Incorp., Sept. 27; H.O., Toronto; Author. capit., $3,000,000, par $1.

Quebec Viking Gold Mines—Ont. Incorp., Sept. 20; H.O., Toronto; Author. capit., $2,500,000, par $1.

Raymond Tiblemont Gold Mines—Ont. Incorp., Sept. 15; H.O., Toronto; Author. capit., $3,500,000, par $1.

Ramore Gold Mining Co., Ltd. — Ont. Incorp. Sept. 27; H.O., Toronto; Author. capit., $2,000,000, par $1.

Sol-D'or Gold Mines—Ont. Incorp., Sept. 24; H.O., Grace Lake, Ont.; Author. capit., $3,000,000, par $1.

Springer Sturgeon Gold Mines—Ont. Incorp., Sept. 6; H. O., Toronto; Author. capit., 3,000,000 shs., n.p.v.

Stillar-Temagami Gold Mines—Ont. Incorp., Sept. 10; H. O., Toronto; Author. capit., $2,500,000, par $1.

Tasmijopen Mining Co.—Ont. Incorp., Sept. 20; H.O., Toronto; Author. capit., 3,000,000 shs., n.p.v.

Timmins Ochall Mining Co., Ltd.—Que. Incorp., August 8; H. O., Montreal; Author. capit., $2,500,000, par $1.

Velma Gold Mining Syndicate—Ont. Incorp., Sept. 15, 1934; H.O., Toronto; Author. capit., 10,000 shs., n.p.v.

Windigokan Lake Gold Mines—Ont. Incorp., Sept. 10; H. O., Toronto; Author. capit., $40,000, par $1.

Charter Surrendered

Cuniptau Mines Development Co. Ltd.—Ont. Incorp., July 17, 1933. Charter surrendered Sept. 5, 1934. Company taken over by Cuniptau Mines Ltd.

International Anthracite Mines—Ont. Incorp., August 29, 1919. Charter surrendered Sept. 22, 1934.

Silver

Silver markets in the past month have experienced keen speculation from the East together with a steadying in the movement to the United States.

In the week ending Oct. 2, Shanghai lost 8,076,000 oz. of silver, bringing the total holdings to 322,778,000 oz. the lowest figure since January. Since June 9, 127,172,000 ozs. have been lost.

The present decline is laid to the door of shipments arranged before the Chinese silver tax was imposed on Oct. 15. It is believed in London that the Chinese policy, represented in the export tax of 10 per cent backed by an equalization tax to compensate for the deficiency between the theoretical parity of silver in London and the arbitrary rate set by the Central Bank of China, can be successfully prosecuted.

The U. S. Treasury reports that 97,322,468 oz. had been transferred as at Oct. 19, to the United States since the order nationalizing silver was issued on Aug. 9. The returns declined from 33,465,000 in the first week to 1,044,000 in the week ending Oct. 19.

The first silver dollars to be made since 1928 are being minted with the same design as the Peace dollar of 1921 from nationalized silver; 53,000 were minted at Philadelphia last week.

15,544,000 of the 24,000,000 oz. which the president was authorized to purchase on Dec. 21, 1933, have been received at the various mints up to Oct. 19.

World silver production in September was 14,889,000 oz. as against 15,436,000 oz. in August and 13,667,000 in July.

Trading in Montreal
(Oct. 22-29)

	Dec.	Jan.	Mar.	May
High	53.20	53.35	54.05	54.75
Low	52.60	53.10	53.65	53.50
Close (Oct. 29)	52.00	53.15	53.75	53.50
Contracts	141	7	85	114

London spot—High for week 23 13/16d., low 23 5/8d.
N. Y. spot—High for week 53 1/8c, low 52 7/8c.

Metal Prices

New York—Oct. 30—
Copper: Electrolytic spot and future, 9c.
Silver: 53c.
London—Oct. 30—
(Long Ton)—
Copper: Electrolytic spot, £31 5s; future, £32. Standard spot, £28 2s 6d; future, £28 10s.
Tin: Spot, £229 12s 6d; future, £228 10s.
Lead: Spot, £10 15s; future, £10 15s.
Zinc: Spot, £12 17s 6d; future, £12 17s 6d.
Silver: 23⅞d. per ounce.
Gold: 139s 10½d.
Canada—Oct. 30—
Gold: $34.03.

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McKINLEY MINES HAS SHARE EQUITY OVER $1 A SHARE

Earned 42 Cents Per Share in 1933, Report Shows

A net profit of $240,312, equivalent to 42 cents per share on its outstanding capitalization, is reported by McKinley Mines Securities Co. Ltd., for the year ended Dec. 31, 1933. This is an appreciable improvement over the previous year when the net profit amounted to $41,229.

Total income for the year, the company's financial statement shows, was $256,421. Of this amount $224,151 was derived from profit on securities sold less shares written off and $23,794 from dividends received on investments. Expenditures, consisting of administrative and general expense of $10,472, travelling expenses of $4,839, registrar and transfer expense of $691 and municipal and provincial taxes of $107, total $16,109, leaving a balance of $240,312 to be added to the balance sheet.

Surplus account shows a profit of $252,268 in comparison with a deficit of $75,995 in 1932. Not only is there the addition of a net profit of $240,312, but also $87,952 balance of amount written off book values of securities in previous years which is not now required.

Liquid Position Strong

Reflecting the improvement in operations and also the increase in the value of mining securities the company's balance sheet as at Dec. 31 last shows a very strong liquid position. Current assets increased from $506,321 as at Dec. 31, 1932, to $822,667 at the end of the 1933 fiscal period. Cash on deposit at $155,944 is $147,000 higher than at the date of the previous report. Dividends receivable are shown at $6,240 and accounts receivable at $10,500.

The value of shares held in other companies has shown a material increase during the period under review, being carried at cost, namely $649,983. This is a conservative valuation in view of the fact that the market value of these securities as at Dec. 31 was $722,285. In the previous report securities were shown at a market value of $492,350. The company's only liabilities, other than to its shareholders, amount to $8,469, consisting of $161 in accounts payable and $8,308 in unclaimed dividends of predecessor company.

Share Equity

Since the close of the 1933 fiscal period the authorized and outstanding capitalization of McKinley Mines Securities has been doubled. In January of this year the authorized capitalization was increased from $1,000,000 to $2,000,000 by supplementary letters patent and rights were subsequently offered to shareholders to subscribe to one share at fifty cents each to the extent of their holdings. The rights were all taken up, providing the company with an additional $280,965 capital and increasing the number of shares outstanding to 1,123,862.

As at Dec. 31 last the company's outstanding capitalization of 561,931 shares had an equity of $1.45 per share, based on total assets less current liabilities. Although the number of shares outstanding has been doubled the equity per share still remains above the dollar mark. In presenting his report to shareholders, R. Home Smith, president, stated that "a recent valuation of the company's securities and an analysis of its position places a value of over one dollar per share on the 1,123,862 shares now issued and outstanding as at Oct. 9, 1934."

SHAFT DOWN 300 FEET AT WINGOLD MINES

Officials Predict Vein Soon to Be Reached on Second Level

Officials of Wingold Mines, adjoining San Antonio in the Rice Lake area of Manitoba reports that sinking of the shaft has been completed to its present objective of 300 ft. The second level station has been cut at 275 ft. and the crosscut to intersect the No. 1 and No. 2 veins has progressed a matter of some 40 ft. Officials believe, according to the dip of the vein, another 100 ft. of advancement should reach the No. 1 vein. Barring unforeseen delays or a change in the vein depth, the objective should be reached about the end of October. No. 1 vein at the 150-ft. level has been drifted on for a distance of 55 ft. In the opinion of mine officials the material opened ranks as good commercial grade ore. Blast channel sampling results showed .42 oz. and .54 oz. respectively in the east and west drift faces. Work on the 150-ft. level was held up for a few days pending the receipt of additional ore cars. It is stated that these are on hand and development on both levels is going forward. The company is at present employing 38 men on the property.

Kenora Area Active

Activity, amounting almost to a rush, is reported from the Kenora area where, to date 679 mining claims have been recorded, a figure which is double the total 1933 figure. Work is being carried on, on some 14 properties, in addition to exploration and prospecting all over the district.

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London Holds Leadership In World's Silver Market

Expert Technical Knowledge is Big Advantage; Shanghai Regarded as Most Active Market

Produced principally in the New World and absorbed chiefly by Asia, silver is a widely travelled metal. Like gold, it is a restless wanderer. When it reaches its destination in interior China or India its peregrinations are not ended, for, sometimes years later, it is reshipped to other parts of the world. Obviously the international movement of silver implies that persons in widely separated regions are factors in the market or have an interest in silver. All persons owning an interest in silver-producing mines (copper, lead, or zinc mines are in this class) or in the refining of bullion, and those benefitting by the commodity trade of or with silver-standard countries (chiefly China, Hong Kong and Persia), and their bankers, have some interest in the white metal. The silver market is world wide, and, with modern communication facilities, the gold price of silver normally is a world price. Hence, ordinarily one does not speak of silver prices in the plural, except to differentiate as to time or place of delivery, as the "spot price" or the "price of futures," or the "London price."

Bullion and Currency

The silver market should be considered as including not only the trade in bullion, but also the silver-currencies foreign-exchange market—that is, the international trading in the Shanghai tael, the Hong Kong dollar, the Persian kran, and the like, according to an authoritative survey prepared by the U. S. Bureau of Foreign and Domestic Commerce. With the long-standing financial eminence of London and the pound sterling, with British banks scattered throughout the Orient and the oriental banks represented in London, and with a very large share of the world trade for decades financed by British banks in terms of sterling, one can readily appreciate how London long ago came to assume an important position in eastern exchange and silver. As regards the actual handling of bullion, the proximity of the United Kingdom to the European markets, the development of British business interests in all parts of the world where silver is produced, consumed, or circulated, and the possession of very favorable shipping and cable connections spreading from a nucleus at London and Southampton to the principal ports of the world—all have been factors in the growth of London's silver market.

An item of considerable importance is the matter of tradition; for, apart from a long-standing prestige as a general financial centre, London has many generations of specialized experience in the silver-bullion market. One of the four leading English silver-brokerage firms antedates the Bank of England itself by 10 years.

Expert Technical Knowledge

Leadership in the world's silver market in the past has been claimed for London by virtue of the expert technical knowledge possessed by the bullion brokers and their staffs. These brokers, it is said in England, have an unsurpassed technical knowledge of every phase of the silver business—buying and selling, shipping, insurance, and arbitrage. It is further held that "no London broker operates on his own account, which, in itself, is an adequate safeguard of the broker's impartiality in carrying out the orders of his clients," and that London possesses certain advantages not to be had in any other silver market, namely, that no other market is as capable of handling large government orders so discreetly as London; that the English metropolis is much less speculative than New York or the eastern markets; that it is the "natural" market for Indian traders; and, in general, that it possesses unequalled connections. An additional factor is that to some extent London brokers are willing to take risks of forward contracts with certain Indian speculators, a practice which brokers on this side will not adopt.

In considering London's importance in the silver market, the part played by Shanghai and other places in the bullion and silver-exchange market must not be overlooked.

Look to London

That London is the logical silver market for British Indian purchases no doubt is true. To the Indian trader the existence of close banking connections between India and the United Kingdom means that he can the most readily finance his silver purchases through the London market. Sterling, moreover, is the leading foreign currency quoted in India, and, in normal times, much closer figuring is possible in sterling than in the case of dollar exchange. Thus, the fact that London is geographically much nearer to Bombay than is, say Montreal, means that the cost of shipping silver from London is cheaper than from Montreal; the freight charges in the latter case are no higher, but the shipping time is only about 22 days from London compared with over 40 days from Montreal. Sailings to India from this country, furthermore, are irregular and infrequent. Hence, the item of interest on silver en route is a factor favoring London. Finally, in the case of ships from London, the Indian dealer can calculate arrivals closely and fairly safely, a matter of much importance at the time of the monthly settlement in Bombay.

Four Firms "Fix" Price

Once every day, to use market parlance, four firms of London brokers "fix" the price of silver. London, however, should not for this reason be visualized as a sort of closed corporation, dictating to the world what should be the price of the Shanghai tael or the value of an ounce of silver in Montreal or Antofagasta. The London exchange-silver market rather must be regarded as a true market place, where buying and selling orders from all over the world meet.

Wherever the greatest number of transactions in any world commodity are effected, there the world price of that commodity is set. If more transactions in silver (bullion plus exchange) are for a time effected in London than elsewhere, for so long the price is being made in London. The market employs the word "fixes" simply as a convenient term; "determines" might be a better word. It cannot be implied that the "fixing" is something to which there are no limits. It is more nearly correct to say, that, if at any time the London price of silver is the world price, it is such simply because the meeting of the largest amount of demand and supply is taking place there and such meeting of demand and supply fixes the price. Whether all the silver involved in the London silver market physically reaches the United Kingdom or not does not really matter. It should be kept in mind that the demand and supply of silver bullion and the demand and supply of silver exchange are both determinants of the price of silver.

Advantages Are Outlined

Of the several advantages London possesses as a silver market, that of being a trade-financing centre probably has been of major importance. The silver bullion market first grew to importance in London when silver was much more widely used than now as a standard of value and a settler of international trade balances. British capital, moreover, being early invested in mines producing silver, there was an added, although lesser, reason why London's silver market developed.

Shanghai Is Important

H. K. Hochschild, a leading silver trading expert ranks Shanghai as the leading silver market, followed by Bombay and London, in the order mentioned. The first two, in his opinion, usually are the most active. He says:

"The principal silver markets of the world are Shanghai, Bombay and London. Next to these, but of considerably less importance, I rank Hong Kong, which normally clears most of its business through Shanghai, but at rare intervals becomes an independent factor. The four cities include, of course, their respective hinterlands. In general, the silver business of the United Kingdom is cleared through London, that of the United States (with the infrequent exception of San Francisco) through New York (no longer the case since the nationalization of silver), that of India (with the infrequent exception of Calcutta) through Bombay, and that of China (with occasional exceptions, principally as above noted, that of Hong Kong and its South China hinterland) through Shanghai. Of the four leading markets, Shanghai and Bombay are in general the two most active, although at times London may predominate for a short spell.

"Contributing to Shanghai's leadership in the silver market is the large speculation there in the foreign exchange market and in gold bars. Also, the very broadness of the Shanghai market is an additional inducement to traders. The possibility of a squeeze on spot silver is negligible in Shanghai as compared to the same risk in Bombay and London. In Bombay it is possible under certain conditions for a shrewd and daring speculator to corner the market on spot delivery, although the spread between the spot settlement and the next settlement in Bombay is limited by the Bombay bullion exchange."

Bluff Ben the Bear Bows To Ontario Mining Public

Bernard E. Smith, New McIntyre Porcupine Director, is Colorful Character

"The whole secret," says the Bluff Bear, not batting an eye, "is to know when to buy and when to sell."

And so there you have the clue as to how Bernard E. Smith, one-time errand boy has "earned" himself not only a reputedly large fortune, but also the name of being one of the shrewdest, coolest, and most to be feared market operators in this country or the next.

Ben Smith, known to headline writers as "sell 'em Ben," or "The Bluff Bear," is well known in Canadian mining finance, having made a name for himself by his activities in British Columbia golds. Now, it has just been announced, this man, who might be a new "mystery man of finance," if he wasn't so blatantly ungarnished, has extended his interest to include Ontario gold mines. Just recently, it was announced that he would replace the recently retired W. J. Sheppard on the board of McIntyre Porcupine Mines. While it has been known for some time that Ben Smith has been casting an eye over Eastern Canadian mining projects, this is the first tangible evidence easterners have had of this flattering attention.

—Drawn by Evan Macdonald.

BERNARD E. SMITH

Buy 'em and Sell 'em

Ben Smith doesn't quite understand why people will refer to him as "sell 'em Ben," and thinks the name rather a silly one. Because, he says, with much reason, that you have to buy before you can sell, haven't you? Then why not "buy 'em Ben Smith?" or "buy 'em and sell 'em Ben Smith?"

Whether he knows it or not, this rugged smiling enigma, got his nickname from his battle cry, which, over a period of three or four years, has become famous in Wall St.: "Sell 'em. They're not worth anything!"

There are many stories about Ben Smith, as about all colorful characters. One of the most probable of them concerns Pioneer Gold Mines, which is headed by his pal, Col. Victor Spencer, and in which Smith has a large interest. In 1927, he bought some Alaska Juneau stock, and "cleaned up" a handsome profit. He decided to see the cause of his enrichment, and flew to the mine. On his way back he paused at a little town in the Bridge River area of British Columbia. Here he heard of a mine discovered 35 years before, one which was thought to be potentially rich but which had never distinguished itself due chiefly to lack of money. Ben Smith was interested but didn't say so. After loitering around the hotel for a day or two, he said to the townsmen, "I notice you haven't been trying to unload any stock on me. I like that mine. I'll take anything up to half a million shares. Name your price."

Pioneering Pioneer

But the owners of Pioner,—for that was the mine—didn't want to part with that many shares. So Ben Smith left. When he reached Seattle, he found an offer of 25,000 shares waiting for him. "Nothing doing," said Smith and went on to San Francisco. Here he received an offer for 50,000 shares. Still nothing doing. In Chicago, he was offered 100,000 and accepted, at $2.25 per. From London he bought another 100,000 at $2.70. At the time of this purchase Pioneer stock wasn't even listed. Now it is selling at around $12.

This propensity for quick decision is one of the outstanding characteristics of Ben Smith. But he would be the first to deny that he plays hunches. Ben Smith is a great believer in "personnel." He gambles on men as much as markets. An example of this is provided in the as yet unpublished story of how Ben Smith came to back a certain Canadian industrial concern which has just recently embarked on a programme of expansion abroad. The promoter of this company, was having his troubles getting backing for his enterprise. Finally he obtained an interview with Ben Smith and his associates. Smith listened, without interrupting for upwards of half an hour. Then, without more ado, he cut in, "I'm going to back this man, boys. I don't know what you are going to do."

Visits Toronto

Everybody was surprised. No financial statements had been submitted. The promoter had not been asked for credentials. But Ben Smith had played his man, and later developments proved it had been a profitable play.

Unknown to most people, this Jolly Bear was in Toronto last week, returning from a visit to the north country. His entry into the Canadian mining picture has not been greeted with unmitigated joy. It would be ridiculous to say that Ben Smith is popular. In fact, many people view his financial record with hostility. He has been frequently attacked in the financial press. Certain it is that he is no philanthropist. He doesn't pretend to be. Here is what he says of his modus operandi:

"Hell, I'm not a bear. You can tell the world. I try to make my living on the street like anybody else, that's all."

But the big difference is that he doesn't make his living on the street like anybody else, or rather, he makes much more of it than anybody else. And if you believe Ben Smith, this little difference is simply a matter of buying when the stock is low and selling when it's high. So for the second time in this story, the cat's out of the bag, and readers of The Financial Post know the secret of Ben Smith's market success. Try it some time.

For Better or For Worse

Ben Smith's personal appearance can best be described as big and bumpy. He laughs frequently and explosively. His shoulders are broad, and his neck like that of a wrestler. He dresses comfortably in a sack suit and soft shirt. His face is knobbly and rugged. His speech is just what it should be in a man of this appearance—meaty and emphatic. He is not very tall, but stocky. If he never played middle wing in a rugby squad it's because he never had the time.

His philosophy of business ethics? If you asked Ben Smith that question, he'd probably tell you that he used to have one but the wheels came off. Anyway, here's what he said once:

"It's still legal to speculate in the hope of a profit, isn't it? To buy stocks for long account, or sell cotton, grain futures or stock for short account—it's all the same. But we're realists. We'd just as lief play bulls as bears, if they'd only let us. There's been a lot of nonsense said about us. . . ."

So, for better or for worse, the Ontario mining industry takes unto itself Ben Smith.

Movements of Mining Men

General J. W. Stewart of Vancouver and **Honorable Manning Doherty** of Toronto, have joined the Board of Directors of Pacific Eastern Gold operating in the Bridge River area of British Columbia.

Bernard Smith, New York, well known for his activities in British Columbia Mining, has been elected to the board of directors of McIntyre Porcupine Mines, to fill the vacancy created by the retirement of W. J. Sheppard.

C. W. Dowsett, prominent metallurgist, has been appointed to the staff of Kirkland Lake Gold Mines, with his main job to reduce tailing losses.

Ellis W. Vipont has been appointed superintendent in complete charge of developments at Mat-a-Lac Gold Syndicate's property in Long Lac.

Base Metals Mining Corp. Ships Lead-Zinc to Europe

Base Metals Mining Corp. reports details of a shipment to Europe on October 17 of a cargo of lead and zinc concentrates from the mines of this company at Field, B.C., as follows:

Lead concentrates—1,197.87 long dry tons assaying 80.07 per cent lead and 8.54 oz. silver per ton.

Zinc concentrates—1,057.92 long dry tons assaying 60.05 per cent zinc.

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